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Security Council

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Note by the President of the Security Council

In paragraph 2 of resolution 2345 (2017), the Security Council requested the Panel of Experts established pursuant to resolution 1874 (2009) to provide a midterm report to the Council with its findings and recommendations.

Accordingly, the President hereby circulates the report received from the Panel of Experts (see annex).

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Annex

Letter dated 28 August 2017 from the Panel of Experts established pursuant to resolution 1874 (2009) addressed to the President of the Security Council

The Panel of Experts established pursuant to resolution 1874 (2009) has the honour to transmit herewith, in accordance with paragraph 2 of resolution 2345 (2017), the midterm report on its work.

The report was provided to the Security Council Committee established pursuant to resolution 1718 (2006) on 4 August 2017 and was considered by the Committee on 25 August 2017.

The Panel would appreciate it if the present letter and its enclosure were brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Hugh **Griffiths**
Coordinator
Panel of Experts established pursuant to
Security Council resolution 1874 (2009)

(*Signed*) Benoit **Camguilhem**
Expert

(*Signed*) Dmitry **Kiku**
Expert

(*Signed*) Stephanie **Kleine-Ahlbrandt**
Expert

(*Signed*) Maiko **Takeuchi**
Expert

(*Signed*) Neil **Watts**
Expert

(*Signed*) Jong Kwon **Youn**
Expert

(*Signed*) Jiahu **Zong**
Expert

Enclosure

Letter dated 4 August 2017 from the Panel of Experts established pursuant to resolution 1874 (2009) addressed to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006)

The Panel of Experts established pursuant to Security Council resolution 1874 (2009) has the honour to transmit herewith, in accordance with paragraph 2 of Security Council resolution 2345 (2017), the midterm report on its work.

The Panel would appreciate it if the present letter and the report were brought to the attention of the members of the Security Council Committee established pursuant to resolution 1718 (2006).

(*Signed*) Hugh **Griffiths**
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(*Signed*) Jiahu **Zong**
Expert

Midterm report of the Panel of Experts established pursuant to resolution 1874 (2009)

Summary

The Democratic People's Republic of Korea has made significant technological advances in its weapons of mass destruction capability in defiance of the most comprehensive and targeted sanctions regime in United Nations history. Following two nuclear tests in 2016 which led to the adoption of resolutions 2270 (2016) and 2321 (2016), the country has greatly accelerated its ballistic missile testing schedule with as many as 14 launches in 2017, including two reported intercontinental ballistic missile launches. The country also continues to flout the arms embargo and robust financial and sectoral sanctions, showing that as the sanctions regime expands, so does the scope of evasion. For the first time in the history of the sanctions regime against the country, the use of a chemical warfare agent was reported by Malaysia, which accused the Democratic People's Republic of Korea of using VX in the February 2017 assassination of Kim Jong Nam, reported to be Kim Jong Un's half-brother, in Kuala Lumpur.

In 2017, the Democratic People's Republic of Korea tested new ballistic missile systems showing significant progress in diversification of systems, range, and a shortened time span between unveiling and testing new missiles. The country is reportedly continuing prohibited nuclear activities with weapons-grade fissile material production at Yongbyon and construction and maintenance at Punggye-ri. The Panel also continues to investigate the widespread presence of nationals of the Democratic People's Republic of Korea in Africa and the Middle East, particularly in the Syrian Arab Republic, acting on behalf of or at the direction of designated entities, including their involvement in prohibited activities such as trade in surface-to-air missile systems.

The Democratic People's Republic of Korea continues to violate the financial sanctions by stationing agents abroad to execute financial transactions on behalf of national entities. Financial institutions in numerous Member States wittingly and unwittingly have provided correspondent banking services to front companies and individuals of the Democratic People's Republic of Korea engaged in prohibited activities. Moreover, foreign companies maintain links with financial institutions of the country established as subsidiaries or joint ventures in violation of the resolutions. Involvement of diplomatic personnel of the Democratic People's Republic of Korea in commercial activities and the leasing of embassy property generate substantial revenue and are aided by multiple deceptive financial practices. These illicit financial activities benefit from the lack of appropriate domestic legal and regulatory frameworks which would give effect to the resolutions, including in many States in Asia.

The Democratic People's Republic of Korea continued to violate sectoral sanctions through the export of almost all of the commodities prohibited in the resolutions, generating at least $270 million in revenue during the reporting period. Following China's suspension of coal imports from the country in February 2017, the Democratic People's Republic of Korea has been rerouting coal to other Member States including Malaysia and Viet Nam, and has shipped coal through third countries. The Panel's investigations reveal that the country is deliberately using indirect channels to export prohibited commodities, evading sanctions.

The Democratic People's Republic of Korea, led by its Maritime Administration Bureau, continued to hone its evasion tactics as Member States took

action to reduce the number of the country's vessels under foreign flags. This has also led to an increase of Democratic People's Republic of Korea-flagged vessels, many of which are formally owned or operated by foreign companies in violation of the resolutions.

Despite an increased rate of Member States' submission of national implementation reports to the Security Council, the actual implementation of the sanctions lags far behind what is necessary to achieve the core goal of denuclearization. The pursuit of nuclear and ballistic missile programmes by the Democratic People's Republic of Korea appears likely to continue at a rapid pace, judging by Kim Jong Un's statements, including his 2017 New Year's address in which he claimed that "in 2016 the Democratic People's Republic of Korea achieved the status of a nuclear power, ... conducted the first H-bomb test, test-firing of various means of strike and nuclear warhead test" and "entered the final stage of preparation for the test launch of intercontinental ballistic missile". Lax enforcement of the sanctions regime coupled with the country's evolving evasion techniques are undermining the goals of the resolutions that the Democratic People's Republic of Korea abandon all weapons of mass destruction and cease all related programmes and activities.

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* The annexes are being circulated in the language of submission only and without formal editing.

Glossary

The following words and phrases are used in this report with the following specific meanings:

"The country"	The Democratic People's Republic of Korea
"The Committee"	The Security Council Committee established pursuant to resolution 1718 (2006)
"The resolutions"	Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016) and 2356 (2017)
"The Panel"	The Panel of Experts established pursuant to resolution 1874 (2009)
"The sanctions"	The measures set out in the resolutions
"The sanctions list"	The list established and maintained by the Committee pursuant to resolution 1718 (2006) with respect to individuals, entities, groups or undertakings
"Interdiction"	The inspection, seizure and disposal of cargo as defined by paragraphs 11 to 14 of resolution 1874 (2009), paragraph 8 of resolution 2087 (2013), paragraph 16 of resolution 2094 (2013)
"Designate/Designation"	Action taken by the Security Council or the Committee under paragraphs 8 (d) and 8 (e) of resolution 1718 (2006) (as amended by subsequent resolutions, including paragraph 27 of resolution 2094 (2013)) against individuals or entities (assets freeze and/or travel ban)
"tons"	Metric tons

I. Introduction

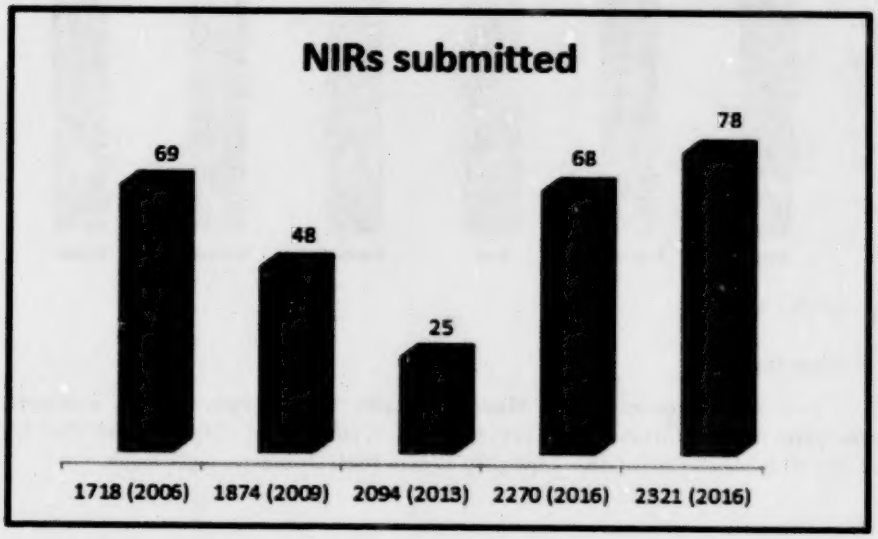
1. In paragraph 43 of resolution 2321 (2016) the Security Council requested the Panel to include findings and recommendations in its midterm reports, beginning with the midterm report due to be submitted to the Committee by no later than 5 August 2017. This report covers the period from 2 February to 5 August 2017.[1]

II. Reports by Member States

National implementation reports

2. The submission rate of national implementation reports under resolutions 2270 (2016) and 2321 (2016) has been steadily increasing. The number of reports submitted under resolution 2321 (2016) shows the highest submission rate so far — 78 compared with the submission rate over the same period following the adoption of the previous resolutions (figure I). The submission of national implementation reports on resolution 2321 (2016) varies significantly from region to region, as in the case of previous resolutions (figure II). Member States continued to submit reports on resolution 2270 (2016) and previous resolutions.[2] Despite the increased number of Member States reporting on resolutions 2270 (2016) and 2321 (2016) as compared to previous resolutions, the Panel notes that the number of non-reporting States (95 and 114 respectively) still remains significant (see annexes 2 and 3).

Figure I
National implementation reports submitted eight months after the adoption of each resolution



Source: The Panel.

[1] Persistent hacking attempts against the Panel during the reporting period hampered the ability of the Panel to report on the implementation of sanctions according to its mandate. The Panel continues to gather information on this matter.

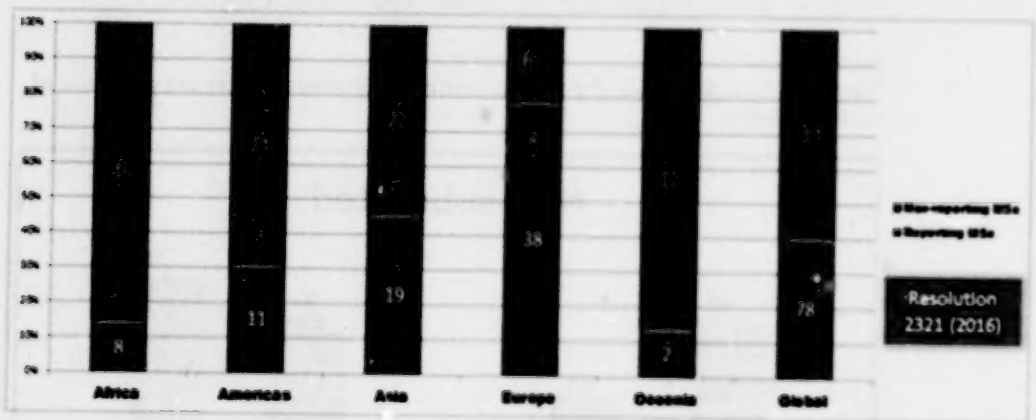
[2] During the reporting period, 21 Member States submitted reports under resolution 2270 (2016) bringing the total to 97 (see annex 1).

3. Following the adoption of resolution 2321 (2016) the Panel participated in regional outreach activities in New York and the Asia-Pacific region aimed at promoting effective implementation by Member States. Six months after the adoption of resolution 2321 (2016), reminders were sent to 128 non-reporting Member States to encourage reporting on the basis of the updated guidelines on the preparation and submission of national implementation reports. Particular attention was paid to Security Council members and co-sponsors of the resolution to invite them to lead by example.

4. The Panel notes some improvement in quality of a few reports, with a number of them including specific measures taken by Member States such as the reduction of staff at diplomatic missions of the Democratic People's Republic of Korea, limiting the number of bank accounts to one per diplomatic mission or prohibiting the country from using real property that it owns or leases in their territory for any purpose other than diplomatic or consular activities.

5. The Panel also notes with concern that the Democratic People's Republic of Korea has repeatedly denied the legitimacy of Security Council resolutions, including in its 6 March 2017 statement in response to the Panel's 2017 final report, asserting that the resolutions have "no legal basis at all".

Figure II
Overview of reporting under resolution 2321 (2016) by region



Source: The Panel.

Recommendation

6. **The Panel recommends Member States to incorporate the relevant provisions of resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016) and 2356 (2017) into their domestic legislation.**

III. Continuing violations by the Democratic People's Republic of Korea of its obligation to abandon ballistic missile, nuclear and other weapons of mass destruction programmes

A. Recent activities related to the ballistic missile programme

Ballistic missile launches

7. Between February and July 2017, the Democratic People's Republic of Korea displayed and tested new ballistic missiles as well as a new engine, representing a significant expansion and diversification of its programmes (table 1). These new systems will allow the country to achieve greater range, responsiveness, reliability and penetrating capabilities. In a highly significant milestone in its ballistic missile programme, the country announced two successful tests of an intercontinental ballistic missile (ICBM) for the first time, on 4 July and 28 July 2017. [3]

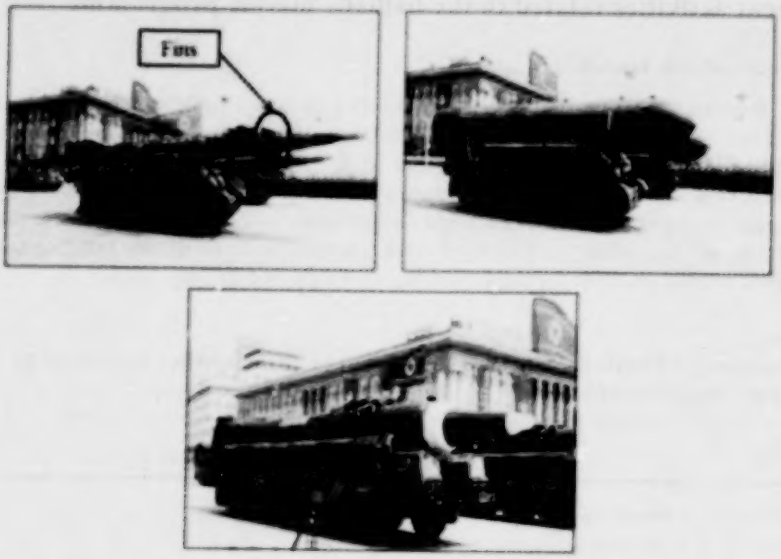
Table 1
Launches of ballistic missile or system using ballistic missile technology by the Democratic People's Republic of Korea in 2017

	Type	*Number*	*Reported launch location*	*Distance travelled (kilometres)*	*Remark*
12 February	Pukguksong-2	1	Kusong	500	
6 March	Scud variant (extended range)	4	Sohae	1 000	
22 March	Unconfirmed (possibly Hwasong-10)	1	Wonsan area	–	Failure
5 April	Unconfirmed	1	Sinpo area	60	
16 April	Unconfirmed (possibly Hwasong-12)	1	Sinpo area	–	Failure
29 April	Unconfirmed (possibly Hwasong-12)	1	Bukchang	–	Failure
14 May	Hwasong-12	1	Kusong area	790	
21 May	Pukguksong-2	1	Pukchang	500	
29 May	Scud variant (manoeuvring warhead)	1	Wonsan area	450	
4 July	Hwasong-14	1	Panghyon area	930	
28 July	Hwasong-14	1	Mupyong-ni	1 000	

8. On 15 April 2017, the Democratic People's Republic of Korea paraded a total of seven ballistic missile systems including three which had never been paraded before: a Scud variant with fins on the warhead, a two-stage solid-fuel missile (Pukguksong-2 also known as KN-15), and a single-stage liquid fuel missile (Hwasong-12 also known as KN-17). These three missiles were successfully tested within two months (see figure III and paragraphs below).

[3] The Panel utilizes the following classification: SRBM = range below 1,000 km; MRBM = 1,000-3,000 km; IRBM = 3,000-5,500 km; ICBM = 5,500 km or more.

Figure III
New ballistic missile systems paraded on 15 April 2017: Scud variant (upper left), Pukguksong-2 in its canister (upper right) and Hwasong-12 (bottom)



Source: Korean Central Television (KCTV).

9. Two large launch canisters were also paraded. These could host entirely new multi-stage solid-fuel ballistic missiles including one with a diameter of around 2 m (figure IV).

Figure IV
Systems using large canisters

Source: KCTV.

10. On 12 February and 21 May 2017, the Democratic People's Republic of Korea tested the Pukguksong-2 ballistic missile. While this system has the appearance of a land-based version of the Pukguksong-1 (it uses the same cold launch ejection system and has the same diameter of 1.5 m), it is slightly longer and has a different

warhead section indicating diversification in the solid-fuel ballistic missiles (see annex 4). According to a Member State, Pukguksong-2 has a range of 2,500 km (assuming a payload of 650 kg) making it a medium range ballistic missile (MRBM). Importantly, the missile is mounted on a tracked transporter-erector-launcher (TEL). The combination of solid fuel and tracked TEL will allow the country to operate this system both rapidly and across various types of terrain. The Pukguksong-1 and -2 show the ascendancy of solid-fuel engines in the modernization of the country's ballistic missile forces. This is also reinforced by the modifications and constructions experienced by an industrial area near the solid-fuel engine test site of Hamhung which could be linked to a solid-fuel production plant (see annex 5).

11. On 14 May, the Democratic People's Republic of Korea tested a missile named Hwasong-12 on a lofted trajectory with an announced range of 787 km and an apogee of 2,111 km. According to a Member State, the Hwasong-12 could have a range of 4,500 km (assuming a payload of 750 kg) making it an intermediate range ballistic missile (IRBM).

12. Four missiles were launched simultaneously on 6 March and a Scud version with a manoeuvring re-entry vehicle was launched on 29 May. This clearly indicates how the Democratic People's Republic of Korea intends to defeat ballistic missile defence: either through saturation (6 March test) or through improved extended air defence penetration capabilities (29 May).

13. On 4 July, the country tested the Hwasong-14, described as an ICBM, on a lofted trajectory with an announced distance travelled of 933 km and an apogee of 2,802 km (figure V).[4] The announced flight time was 39 minutes.[5] The test launch was performed by the Academy of Defense Science, which is likely an alias of the Academy of National Defense Science, an entity designated under resolution 2270 (2016). The Hwasong-14 appears to be a two-stage liquid-fuelled system. The Panel will investigate the technical characteristics of the missile, in particular its commonalities with the Hwasong-12. According to a Member State the Hwasong-14 could have a range of between 7,000 and 8,000 km, making it an ICBM class missile.[6]

[4] "Kim Jong Un supervises test-launch of Inter-continental Ballistic Rocket Hwasong-14", Korean Central News Agency, 5 July 2017. The Japanese Ministry of Defense confirmed a range of around 900 km and an apogee of more than 2,500 km.

[5] This is consistent with the Japanese Ministry of Defense press statement of 4 July: approximately 40 minutes. At the Security Council meeting of 5 July, the Assistant Secretary-General for Political Affairs, Miroslav Jenca, said that "according to these parameters the missile would have a range of roughly 6,700 km if launched on a more typical trajectory".

[6] Minister of Defense of the Republic of Korea, Republic of Korea National Assembly Defense Committee meeting, 5 July 2017 (the payload mass was not specified). The launch of 4 July triggered an emergency meeting of the Security Council during which the class of the Hwasong-14 was described as an ICBM by the United States and as an IRBM by the Russian Federation. In a letter to the Committee dated 31 July, the United States stated that, according to its data the missile reached an apogee of 2,800 km, travelled a distance of 900 km and had a flight time of 38 minutes. The Russian Federation informed the Security Council on 8 July that the missile had flown 510 km, reached an apogee of 535 km and that the flight time was approximately 14 minutes (see S/2017/588).

Figure V
ICBM launch of 4 July 2017

Source: Rodong Sinmun.

14. On 28 July the Democratic People's Republic of Korea launched a second Hwasong-14 ICBM with an announced distance travelled of 998 km, an apogee of 3,725 km and a flight time of 47 minutes. Shortly after the missile fell into its exclusive economic zone, Japan assessed its flight time to be around 45 minutes. The Republic of Korea assessed the apogee to be 3,700 km and the distance travelled to be 1,000 km.[7] The parameters of the flight announced by the Democratic People's Republic of Korea indicate that the missile tested on 28 July was an improved version of the missile tested on 4 July. The Panel is investigating the increased range of this improved version of the Hwasong-14.

15. Jon Il Ho and Jong Sung Il were seen closely accompanying Kim Jong Un during his supervision of several ballistic missile launches in 2017, including of the two ICBMs. According to a Member State, they are both Vice-Directors of the Munitions Industry Department.

Recommendation

16. **Therefore, in addition to recalling the Panel's previous recommendation to designate key individuals involved in the nuclear and ballistic missile programmes of the Democratic People's Republic of Korea including Ri Pyong Chol, Hong Sung Mu. Hong Yong Chil, Kim Jong Sik and Kim Rak Gyom,[8] the Panel further recommends Jon Il Ho and Jong Sung Il for designation given their involvement in the nuclear and ballistic missile programmes.**

B. Recent activities related to the nuclear programme

17. The Yongbyon nuclear complex, Punggye-ri nuclear test site and Pyongsan uranium mine remained active. The 5 MW (e) reactor has been in operation since

[7] The launch was detected by the United States Department of Defense and the missile was characterized as an ICBM with a horizontal distance travelled of 1,000 km. The Russian Ministry of Defense assessed the apogee to be 681 km with a horizontal distance travelled of 732 km and the missile to be an IRBM.

[8] See S/2017/150, para. 55.

December 2015. According to a Member State, on at least one occasion in 2017, hot water was discharged through the drainage channel of the light water reactor, suggesting a possible test of the cooling water system of the reactor. The Panel is monitoring the operational status of other facilities within the Yongbyon complex.

18. Satellite imagery indicates construction and maintenance activities at Punggye-ri Main Support Area and Command Center as well as excavation and pumping at the Portals.

C. Other existing weapons of mass destruction programmes

19. Malaysia reported to the Organisation for the Prohibition of Chemical Weapons (OPCW) the use of a chemical warfare agent, VX, to assassinate a national of the Democratic People's Republic of Korea[9] in Kuala Lumpur International Airport on 13 February 2017.[10] The Malaysian authorities confirmed his identity as Kim Jong Nam, widely reported in the media as the half-brother of the leader of the Democratic People's Republic of Korea, Kim Jong Un.

20. The Security Council decided in paragraph 24 of resolution 2270 (2016) that the Democratic People's Republic of Korea "shall abandon all chemical and biological weapons and weapons-related programmes" and called upon the country to accede to the Chemical Weapons Convention and immediately comply with its provisions. In paragraph 37 of resolution 2321 (2016), the Council reaffirmed that resolution 1540 (2004) "obligates all States to take and enforce effective measures to establish domestic controls to prevent the proliferation of nuclear, chemical, or biological weapons and their means of delivery, including by establishing appropriate controls over related materials".

21. At the meeting of OPCW, Malaysia reiterated its compliance with the Chemical Weapons Convention and strongly condemned the use of VX. The Executive Council of OPCW decided that the OPCW Director General should provide technical assistance upon Malaysia's request and underlined the importance that the Council attached to receiving and considering the official results once Malaysia completed its investigation.[11] The Panel continues to investigate this matter.

IV. Embargoes, designated entities and individuals

22. The Panel continued its investigations into violations of the arms embargo and activities of entities and individuals of the Democratic People's Republic of Korea designated by the United Nations for trade in conventional arms and ballistic missile-related items, particularly in Africa and the Middle East.

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[9] Kim Jong Nam was carrying a diplomatic passport of the Democratic People's Republic of Korea issued under the name "Kim Chol".

[10] Statement by Malaysia at the 84th session of the Executive Council of the Organisation for the Prohibition of Chemical Weapons (OPCW), 7 March 2017. On 24 February, Malaysia's Chemistry Department issued a preliminary report which found Ethyl N-2-Diisopropylaminoethyl Methylphosphonothiolate (commonly known as VX nerve agent), a chemical weapon under Schedule 1 of the Chemical Weapons Convention, on Kim's face. The Malaysian police arrested and put on trial an Indonesian and a Vietnamese suspect. INTERPOL issued Red Notices for four suspects from the Democratic People's Republic of Korea on murder charges on 16 March 2017, following Malaysia's request (see annex 6).

[11] Decision of the OPCW Executive Council of 9 March 2017 (EC-84/DEC.8).

Angola

23. The Panel continued its investigation into the training of the Angolan presidential guard and other units by personnel from the Democratic People's Republic of Korea as well as the country's diplomats accredited in Angola working on behalf of Green Pine Corporation, including Mr. Kim Hyok Chan and Mr. Jon Chol Young. Mr. Kim has served as the Green Pine Corporation representative responsible for the refurbishment by the Democratic People's Republic of Korea of Angolan naval vessels in violation of the resolutions and Mr. Kim and Mr. Jon have travelled from Angola to Sri Lanka in a failed attempt to sell naval vessels.[12] Angola has yet to reply to the Panel's enquiries.

Democratic Republic of the Congo

24. The Panel continued its investigation into the military training by the Democratic People's Republic of Korea of the Presidential Guard of the Democratic Republic of the Congo, as well as its provision of 9-mm firearms to the Presidential Guard and special units of the police, some of which were deployed to the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic.[13] The Democratic Republic of the Congo has yet to respond to the Panel's enquiries.

Eritrea

25. The Panel continued its investigation into the interdiction of a shipment to Eritrea of arms and related materiel from Glocom.[14] Eritrea continues to fail to provide substantive information to the Panel's enquiries on this case (see annex 7), which are part of a series on arms cooperation between the Democratic People's Republic of Korea and various States.[15]

Mozambique

26. The Panel continued its investigation into the reported supply of man-portable air defence systems, surface-to-air missiles and radar to Mozambique involving Haegeumgang Trading Corporation (a.k.a. Haegumgang) and the Mozambique Government-controlled company "Monte Binga".[16] Mozambique has yet to provide a substantive reply to the Panel's enquiries. Haegeumgang has been reported by two Member States as active in Mozambique and the neighbouring United Republic of Tanzania. One Member State specified that Haegeumgang had provided the same surface-to-air missile systems to both Mozambique and the United Republic of Tanzania (see para. 29).

Namibia

27. The Panel continued its investigation into the activities of the Mansudae Overseas Project Group in Namibia, which the Panel previously recommended for designation for evasion of sanctions and activities on behalf of the Korea Mining Development Trading Corporation (KOMID).[17] The Panel is currently investigating entities involved in the construction of the new headquarters for the National Central Intelligence Service as well a munitions factory constructed by Mansudae and KOMID. Namibia has yet to respond.

[12] See S/2017/150, paras. 103, 120, 207 and 208.
[13] Ibid., paras. 104-105.
[14] Ibid., paras. 72-87.
[15] Ibid.
[16] Ibid., paras. 101-102.
[17] Ibid., paras. 110-118.

Syrian Arab Republic

28. The Panel is investigating reported prohibited chemical, ballistic missile and conventional arms cooperation between the Syrian Arab Republic and the Democratic People's Republic of Korea including activities on Syrian Scud missile programmes and maintenance and repair of Syrian surface-to-air missile air defence systems. The Panel is also continuing its investigation of designated entities of the Democratic People's Republic of Korea in the Syrian Arab Republic and the continuing presence of designated nationals of the Democratic People's Republic of Korea as KOMID representatives in the Syrian Arab Republic. Two Member States interdicted shipments destined for the Syrian Arab Republic. Another Member State informed the Panel that it had reasons to believe that the goods were part of a KOMID contract with the Syrian Arab Republic. The consignees were Syrian entities designated by the European Union and the United States as front companies for the Syrian Arab Republic Scientific Studies and Research Centre, a Syrian entity identified by the Panel as cooperating with KOMID in previous prohibited item transfers. The Centre was reported by Member States as the entity responsible for the Syrian Arab Republic chemical weapons programme. The Syrian Arab Republic has yet to respond to the Panel's enquiries.

Uganda

29. The Panel continued its investigation into the provision by the Democratic People's Republic of Korea of training to the Ugandan military and police forces, in particular the Ugandan air force,[18] as well as the activities of a United Nations-designated KOMID representative who had previously travelled to Uganda from the Syrian Arab Republic,[19] Ryu Jin. The Panel is also investigating the role of the office of the military attaché in the embassy of the Democratic People's Republic of Korea in Kampala.[20] Uganda has yet to respond to the Panel's enquiries.

United Republic of Tanzania

30. The Panel is investigating information by a Member State that the Haegeumgang Trading Corporation (a.k.a. Haegumgang) of the Democratic People's Republic of Korea is repairing and upgrading the surface-to-air missile Pechora (S-125) systems of the United Republic of Tanzania. The latter is also reportedly repairing and upgrading its P-12 air defence radar. The total value of the prohibited military-related contracts between the United Republic of Tanzania and the Democratic People's Republic of Korea was reported as €10.49 million. The United Republic of Tanzania has yet to respond to the Panel's enquiries.

Mansudae and KOMID

31. The Panel continued its investigations into the activities of the Mansudae Overseas Project Group and its relationship to the United Nations-designated entity KOMID, which the Panel has recommended for designation.[21] With regard to Mansudae activities in a number of African Member States including Angola, Benin, Botswana, Mali, Mozambique, Namibia and Zimbabwe, the Panel has written to these countries requesting information on the entity's activities including the provision of statues.[22]

[18] Ibid., paras. 121-122.
[19] Ibid., table 8.
[20] Ibid., para. 122.
[21] Ibid., paras. 110-119.
[22] Ibid., table 4.

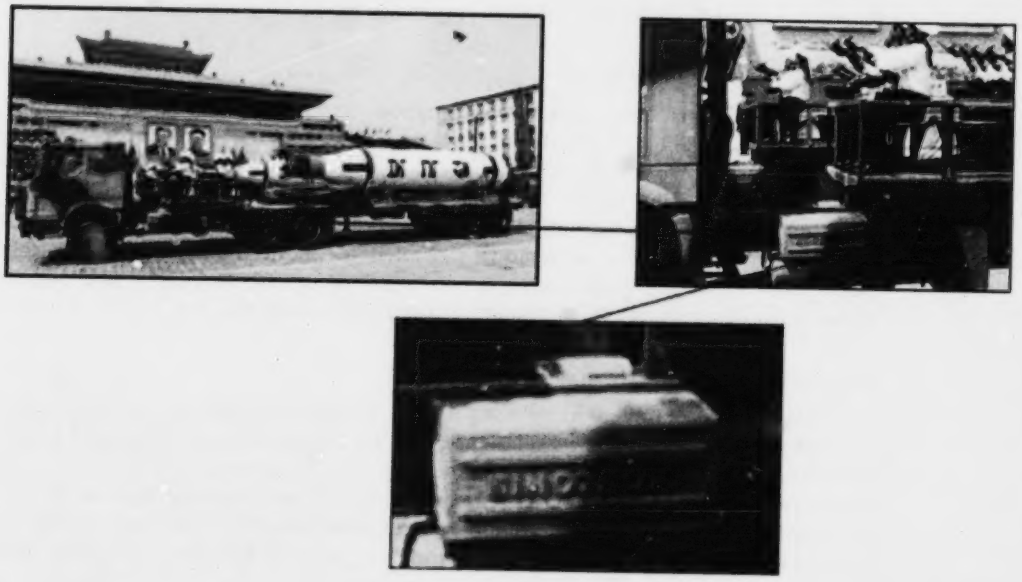
Unmanned aerial vehicle wreckage

32. Another crashed unmanned aerial vehicle of the Democratic People's Republic of Korea was retrieved in Inje County, Republic of Korea, on 9 June 2017. This unmanned aerial vehicle is very similar to that found on Baengnyeong-Do Island in 2014.[23] An initial investigation determined that the vehicle was engaged in reconnaissance activities of a military facility and contained components of the same origin. The Panel is continuing its investigation.

Vehicles observed at the military parade in April 2017

33. The Panel investigated vehicles displayed at the military parade held on 15 April 2017 at Kim Il Sung Square in Pyongyang. The Panel obtained a video and photographs of the trucks used to transport the Pukguksong-1. The trucks carried the "Sinotruk" logo on the fuel tank (figure VI) and shared some identical features with the Sinotruk Howo 6x6 series trucks shown at the 10 October 2015 military parade (figure VII). In its reply to the Panel, China noted in its investigation that the Chinese manufacturer exported civilian all-wheel-drive trucks with three axles to the Democratic People's Republic of Korea from 2010 to 2014, pointing out that the trucks were "not under embargo of the Security Council" and it was not able to identify the exporter of the trucks or their manufacturer due to the lack of "Vehicle Identification Number and other relevant information". China noted that the sales contract requested explicitly "the buyer to ensure the civilian use of the trucks and comply with concerned provisions of Chinese laws and Security Council resolutions" (see annex 8).

Figure VI
Trucks modified for military use



Source: Associated Press.

[23] See S/2015/131, paras. 61-62.

Figure VII
Comparison of modified vehicles paraded in 2017 (left) and 2015 (right)

Source: KCTV.

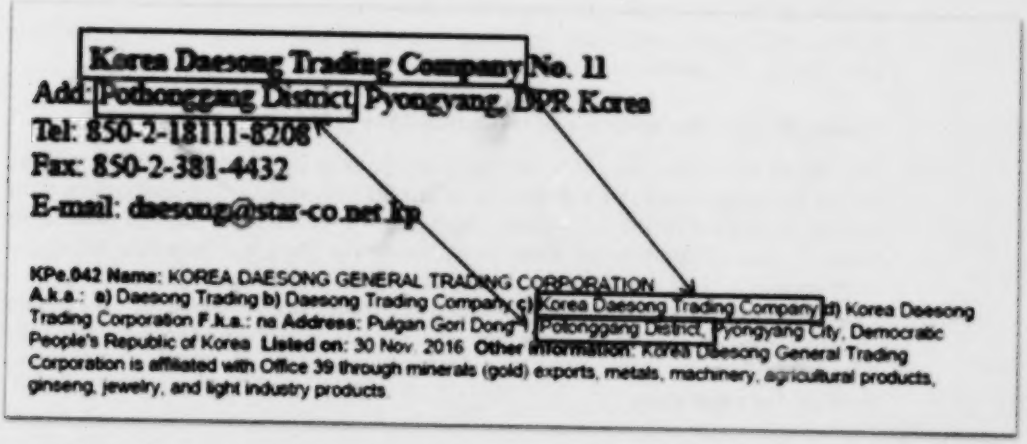
Recommendations

34. **The Panel recalls and reaffirms its recommendation to Member States on enhanced vigilance over the export of commercial vehicles that could be converted for military use.**[24]

35. **The Panel recommends that the Committee update the existing list of designated individuals and entities by adding information as follows:**

> **Korea Daesong General Trading Corporation as an a.k.a. to KPe.042:**
> **A.k.a. "Korea Daesong Trading Company No. 11"**
> **Address: Potonggang District, Pyongyang, Democratic People's Republic of Korea**
> **Tel.: +850-2-18111-8208; fax: +850-2-381-4432; email: daesong@star-co.net.kp**

Figure VIII
Comparison of information for Korea Daesong Trading Company No. 11 and Korea Daesong General Trading Corporation


Korea Daesong Trading Company No. 11
Add: Potonggang District, Pyongyang, DPR Korea
Tel: 850-2-18111-8208
Fax: 850-2-381-4432
E-mail: daesong@star-co.net.kp
KPe.042 Name: KOREA DAESONG GENERAL TRADING CORPORATION
A.k.a.: a) Daesong Trading b) Daesong Trading Company c) Korea Daesong Trading Company d) Korea Daesong Trading Corporation F.k.a.: na Address: Pulgan Gori Dong Potonggang District, Pyongyang City, Democratic People's Republic of Korea Listed on: 30 Nov 2016 Other information: Korea Daesong General Trading Corporation is affiliated with Office 39 through minerals (gold) exports, metals, machinery, agricultural products, ginseng, jewelry, and light industry products

Source: Extract from Foreign Trade magazine of the Democratic People's Republic of Korea (No. 2, April 2016) and the sanctions list.

[24] See S/2016/157, recommendation 10 (a), and S/2013/337, para. 58.

36. **The Panel recommends that the Committee update the existing list of designated individuals and entities by adding information as follows:**

Korea Kumsan Trading Corporation as an a.k.a. to KPe.044:[25]
Address: Haeun 2-dong, Pyogchon District, Pyongyang City/ Mangyongdae District, Pyongyang, Democratic People's Republic of Korea
Tel.: +850-2-18111-8550; fax: +850-2-381-4410/4416; email: mhs-ip@star-co.net.kp

V. Maritime transportation

37. A number of Member States have taken action to de-register foreign-flagged, Democratic People's Republic of Korea-controlled vessels on the basis of the resolutions and while the number of foreign-flagged vessels of the Democratic People's Republic of Korea has been dramatically reduced, there has a been a corresponding increase in the number of vessels registered under the country's flag.

Violations since the adoption of resolution 2270 (2016)

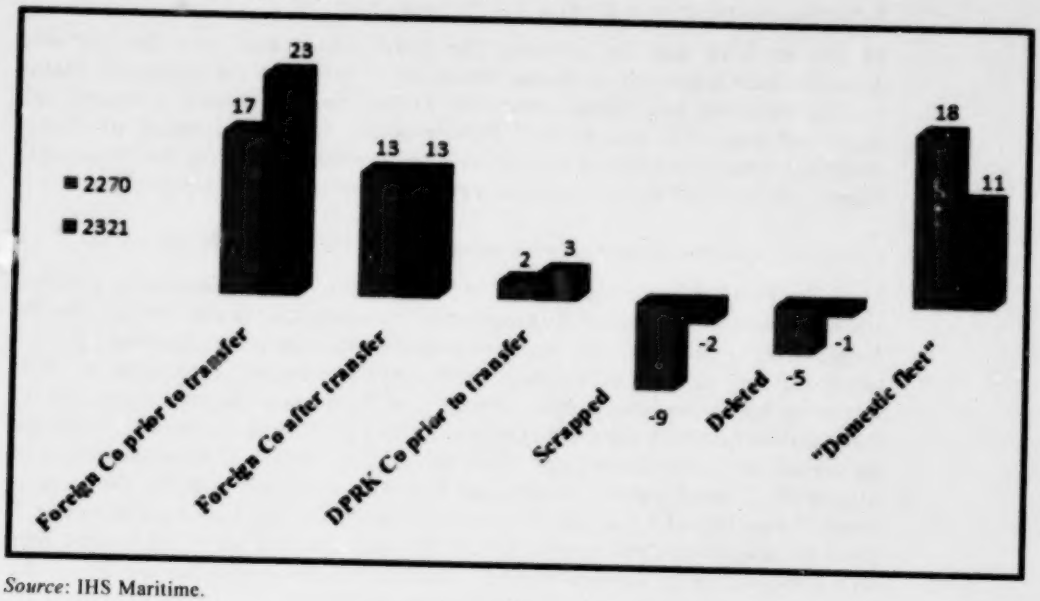
38. As a result of action by Member States, since 2 March 2016, the Democratic People's Republic of Korea registered nearly 70 vessels to its flag registry — a 44 per cent expansion over 18 months — in collusion with more than 45 foreign companies, in violation of the resolution.[26] Twenty-nine vessels have been registered with the flag registry of the Democratic People's Republic of Korea. In violation of paragraph 20, 13 were registered with foreign ownership and/or operators and 17 transferred from foreign companies. Three foreign-owned and operated vessels were deleted from the register following Panel action. Many vessels have also been moved from the country's international trading fleet to its "domestic fleet" — an unusual arrangement given that the country's ports straddle two coasts making voyages through international waters unavoidable (figure IX). Notably, 18 of the 21 remaining designated vessels associated with the Ocean Maritime Management Company, Ltd. (OMM) have been transferred to the "domestic fleet" since the adoption of resolution 2270 (2016).[27] In addition to evasion of the resolutions, the use of the domestic fleet category could enable the Democratic People's Republic of Korea to conceal critical vessel recognition data and circumvent international maritime law.

Violations since the adoption of resolution 2321 (2016)

39. Since 30 November 2016, 38 more vessels have been registered with the flag of the Democratic People's Republic of Korea. In violation of paragraph 9 of resolution 2321 (2016), 13 vessels have been registered as foreign owned or operated and 23 transferred from non-Democratic People's Republic of Korea companies. At least 10 falsely reported the Fijian flag indicating evasion, which Fijian authorities are investigating. At least four other vessels under the Cambodian flag attempted to register under another foreign flag but reverted to the flag of the Democratic People's Republic of Korea following "registration disputes" relating to falsified documentation.

[25] See S/2017/150, annex 17-1, para. (a).
[26] See also S/2015/131, paras. 107-108, on fleet renewal trends.
[27] *Hu Chang* (reportedly scrapped), *Hui Chon* and *Ryo Myong* were not included.

Figure IX
Democratic People's Republic of Korea flag additions after the adoption of resolutions 2270 (2016) and 2321 (2016)



Source: IHS Maritime.

40. Since the Panel informed 50 companies of the violations, 12 have delisted their vessels from the flag registry of the Democratic People's Republic of Korea, leaving 38 violating the resolutions.[28] With regard to company registration, the Panel observed an evasion trend whereby foreign companies list a "care of" Democratic People's Republic of Korea company in their address — in reality a front company. The Panel is waiting for replies from the relevant Member States.

Recommendations

41. **Member States should be vigilant regarding the ownership, management or operation of Democratic People's Republic of Korea-flagged vessels by their nationals, including the use of front companies to circumvent the resolutions. Upon receiving notification from the Panel of a violation, and where the relevant company does not cooperate, Member States should take measures to terminate sanctions evasion (such as striking off companies from their registry) and inform the Committee.**

42. **Given that almost all vessels controlled by the Democratic People's Republic of Korea are purchased second hand, the Panel recommends that the prohibition contained in paragraph 30 of resolution 2321 (2016) on the sale, supply or transfer to the Democratic People's Republic of Korea of new vessels should be expanded to include the acquisition of all vessels.**

Complicity of the Maritime Administration of the Democratic People's Republic of Korea in sanctions evasion

43. Since the interdiction of the *Chong Chon Gang* in Panama in July 2013, the country's Maritime Administration, also known as the Maritime Administration Bureau, has served as a sanctions evasion enabler for the maritime fleet of the

[28] The Panel is waiting for results of Member State investigations into 12 companies.

Democratic People's Republic of Korea as documented through numerous incidents included in every one of the Panel's reports since 2014.

Renaming and registering assets of a designated entity

44. In its 2016 and 2017 reports, the Panel documented how the Maritime Administration registered numerous iterations of identities for designated OMM vessels, including new names, Maritime Mobile Service identity numbers, call signs, and associated companies.[29] This renaming and re-registration of OMM-controlled vessels was also an attempt to evade sanctions, including the Democratic People's Republic of Korea companies newly registered for this purpose.[30]

Certification for vessels and crew violating multiple United Nations resolutions

45. The Panel documented in its 2015 report how the administration certified altered Protection & Indemnity Association insurance certificates for the *Mu Du Bong* seized by Mexico.[31] The Panel also recalled that the vessel *Morning Glory*, a tanker carrying an illicit oil shipment from Libya intercepted near Cyprus in 2014, was using the Democratic People's Republic of Korea as a flag of convenience — the Maritime Administration had contracted with Egypt-based Golden East Logistics for the temporary use of its flag.[32] More recently, the vessel *Jie Shun* interdicted in August 2016 sailed under a Cambodian flag with a captain from the Democratic People's Republic of Korea and 22 crew certified by the Maritime Administration.[33] Since the adoption of resolution 2321 (2016) the Panel has identified at least four such crews operating foreign-flagged vessels in violation of paragraph 23 — the Panel awaits replies from the relevant Member States.

Falsification of vessel identity and documentation

46. The Panel's 2017 report identified eight designated OMM vessels[34] that were provided with falsified Maritime Mobile Service identity numbers and call signs to change their identity. The case of the *Hui Chon* (IMO 8405270) in particular demonstrates the ongoing nature and extent of the complicity of the Maritime Administration in these actions. In November 2016 the Maritime Administration allocated a new Maritime Mobile Service identity number to the ship, disguised it as the *Song Phyong 7*, and omitted its obligatory IMO number from its Automatic Identification System data from 13 November 2016 until as recently as 27 May 2017 (see figure X), violating both the resolutions and shipping regulations.[35] In addition, the vessel was falsely listed in the Maritime Administration database with the exact characteristics of the *Hui Chon* (see annex 9) and was provided a complete set of false documentation. The *Song Phyong 7* was subsequently detained following a Port State Control inspection which revealed documents — dated October 2016 — all omitting the IMO (International Maritime Organization) numbers but the details are that of the *Hui Chon*. Similarly, the declared owner, operator and international safety manager Songphyong Forwarding Co. Ltd. has not been registered but can be found on the Maritime Administration database for the vessel (see annexes 9 and 10).

[29] For aliases see also the list of designated vessels on the Committee's website.

[30] Paragraph 19 of resolution 2094 (2013) specifically includes the renaming or re-registration of vessels to other companies in order to evade the sanctions. Renaming and re-registration have been officially determined to be a means of evading sanctions, particularly if it is to avoid an asset freeze under paragraph 12 (d) of resolution 2321 (2016) (see S/2016/157, para. 155).

[31] See S/2015/131, annexes 13.3 and 13.5.

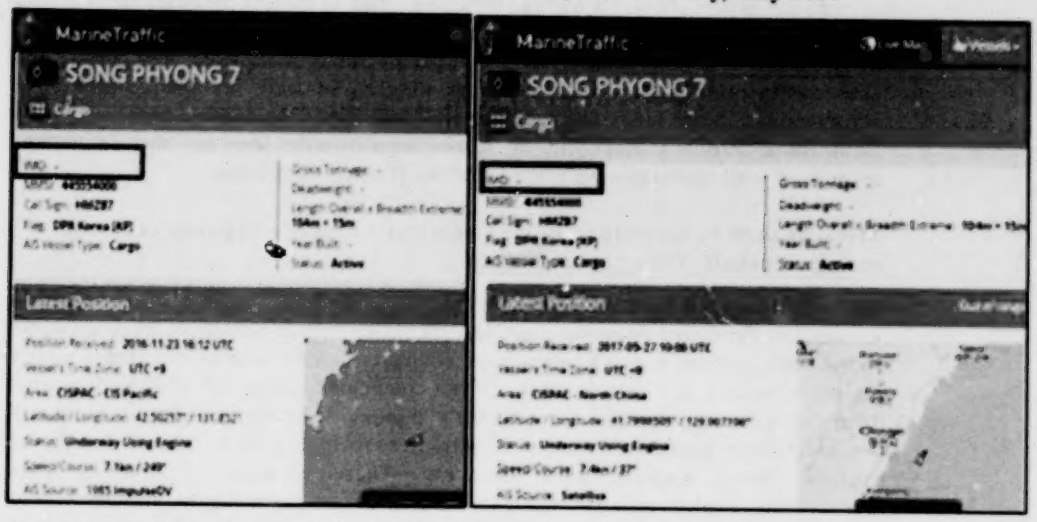
[32] Ibid., para. 113.

[33] See S/2017/150, para. 66.

[34] Resolution 2270 (2016), annex III.

[35] See S/2017/150, para. 140.

Figure X
Activity of the *Song Phyong 7*, November 2016 and, most recently, May 2017



Source: Marinetraffic.com.

Recommendation

47. **In the light of the above, the Panel recommends the Committee designate the Maritime Administration of the Democratic People's Republic of Korea for its long-standing and comprehensive role in sanctions evasion.**

Name: Maritime Administration of the Democratic Republic of Korea (in Korean 조선민주주의인민공화국 국가해사감독국)
A.k.a.: North Korea Maritime Administration Bureau (MAB)
Address: Ryonhwa-2Dong, Central District, Pyongyang, Democratic People's Republic of Korea
P.O. Box 416,
Director-General: Mr. Jon Ki Chol
Tel: 850-2-18111 Ext.8059
Fax: 850-2-381 4410
Email: mab@silibank.net.kp
Website: www.ma.gov.kp

VI. Finance

48. The Panel has continued its investigations into the ways financial institutions and networks of the Democratic People's Republic of Korea access the international banking system in violation of the resolutions. Many of the country's financial institutions, including designated banks, maintain representatives abroad allowing them to conduct transactions that facilitate prohibited programmes. Overseas representatives of the country's banks evade sanctions through the establishment of front companies, including companies not registered as financial institutions but functioning as such. Those bank representatives and designated individuals travel internationally and exploit residence in foreign countries to undertake commercial activity contrary to the resolutions. Major financial institutions wittingly and unwittingly provide correspondent banking services to the country's front companies and entities and individuals engaged in prohibited activities. Foreign

companies continue to maintain links to financial institutions of the Democratic People's Republic of Korea established as subsidiaries or joint ventures. Foreign investment in the country's banks (including joint ventures) provides those banks with access to funding and to the international financial system. This helps them to disguise the origin, ownership and control of funds associated with prohibited activities by allowing the layering and co-mingling of funds involved in prohibited activities with other funds derived from licit activities. The evasive practices of the Democratic People's Republic of Korea significantly increase the challenges associated with implementing United Nations financial sanctions.

Methods used by individuals of the Democratic People's Republic of Korea acting on behalf of designated entities

49. Officials and entities of the Democratic People's Republic of Korea have engaged in deceptive financial practices, including opening multiple bank accounts in the same country and in neighbouring countries in their own names, under family members' names, and in the names of front companies. Examples of other deceptive financial practices include the country's diplomatic, commercial and economic representatives undertaking business activities, including on behalf of designated entities, from multiple bank accounts. These practices compartmentalize transactions, exploit international gaps in transaction reporting requirements, and frustrate efforts to trace illicit activities of the Democratic People's Republic of Korea.

50. For example, in its investigation into a team of family members of two Reconnaissance General Bureau agents and a representative of the Korean United Development Bank whose assets were frozen by France in 2014,[36] the Panel established that one of the agents, Kim Su Gwang, had opened multiple bank accounts in Italian financial institutions in his own name, as well as those of his wife, mother and father (see annexes 11-14). Even though his employment in the country with a United Nations agency was terminated and his Italian Ministry of Foreign Affairs identity card rescinded on 17 January 2015, one of Kim's bank accounts, held jointly with his wife, has remained open. Another of his accounts posted numerous transactions between 2011 and 2016, which Italy stated were mostly concerning Kim's activities as a "private consumer". Other accounts have been dormant. Kim also purchased property in the country which remains in his name. Further investigations on the case are ongoing. Another European country confirmed that diplomats of the Democratic People's Republic of Korea established bank accounts in the names of family members. That Member State also informed the Panel that there is "no legal way to learn about accounts of former accredited diplomats or their family members". These cases exemplify how illicit networks of the Democratic People's Republic of Korea manipulate multiple bank accounts to heighten the difficulties of detecting their activities. A similar case involved KOMID officials for which the country's Embassy in South Africa established an account in one of their names in a bank in neighbouring Namibia.

51. In another example, Kim Chol Sam (金铁三), the Dalian-based representative of the designated Daedong Credit Bank, set up at least eight accounts in the Chinese mainland and Hong Kong financial institutions in his own name and those of various front companies which were used to undertake millions of dollars of transactions. Representatives of the designated Korea Daesong Bank established more than 10 accounts in the Chinese mainland and Hong Kong. Representatives of

[36] Kim Yong Nam and Kim Su-Gwang are agents of the Reconnaissance General Bureau, and Ms. Kim Su-Gyong, is Director of the International Affairs Department at the Korean United Development Bank.

Tanchon Commercial Bank set up over 20 accounts in the Chinese mainland and Hong Kong and continue to travel internationally, including to the Syrian Arab Republic.

Methods used by Democratic People's Republic of Korea banks to circumvent United Nations financial sanctions

Use of ledger system

52. Records show that Glocom[37] clients were instructed not to directly remit funds to Pan Systems or International Golden Services accounts, but rather to pay other accounts in the names of Hong Kong front companies. Through Daedong Credit Bank, Glocom used accounts in the names of Malaysian and Singaporean front companies as well as Pan Systems to receive remittances from Hong Kong front companies. Kim Chang Hyok (a.k.a. James Jin or James Kim), representative of Pan Systems in Malaysia, established multiple accounts in the country in the names of front companies on behalf of Glocom. In a series of transactions to its suppliers, Glocom transferred over $350,000 through at least seven front companies in Hong Kong in multiple transactions cleared through three New York-based and one Hong Kong-based bank. Records show that payment for a single invoice was often done through a series of instalments from multiple front companies, another means of hiding the identity of the true parties and evading detection by authorities of illegal conduct. One Singaporean supplier to Glocom employed a business manager from the Democratic People's Republic of Korea to "source business" in the country and provide a $100,000 deposit to the company against which balances were settled in addition to transactions from front companies, all without having to transact with the Democratic People's Republic of Korea (see annex 15). Glocom established a new website in January 2017 which is still operational (see annexes 16-19).

53. Daedong Credit Bank also used a ledger system for its operations in China similar to those used by Korea Kwangsong Banking Corporation and Chinpo Shipping.[38] This system allowed Daedong Credit Bank representatives abroad to use accounts in their names or those of front companies — whose names never appeared in the transactions — to undertake transactions on behalf of entities and banks of the Democratic People's Republic of Korea, including designated entities. The system kept funds in circulation outside of the Democratic People's Republic of Korea by using revenues from the country's commodity sales to replenish Daedong Credit Bank's accounts abroad. All of this removed the risks of detection arising from wire transfers directly from a bank in Pyongyang.

[37] The Panel investigated a Glocom shipment of arms and related materiel in July 2016. It is a front company of the Pyongyang branch of the Singaporean company named Pan Systems Pte. Ltd., and uses the Malaysian companies International Golden Services and International Global System to procure components for its factory in the Democratic People's Republic of Korea to export military communication supplies and equipment (see S/2017/150, paras. 72-87 and 232-241).

[38] According to the United States Treasury Department, Dandong Hongxiang Industrial Development (DHID) employed a ledger system to record transactions with a parallel set of matching financial records held at DHID and Korea Kwangson Banking Corporation (KKBC), allowing for KKBC to settle the accounts of its customers from the Democratic People's Republic of Korea without transferring money out of DHID host accounts. Court documents from the Chinpo case in Singapore state that Chinpo was running a similar ledger scheme for entities of the Democratic People's Republic of Korea to make payments. See Dandong Hongxiang indictment (https://www.justice.gov/opa/file/897041/download) and forfeiture complaint.

Foreign ownership of Democratic People's Republic of Korea financial institutions

54. The Panel continued to investigate banks of the Democratic People's Republic of Korea established, managed or owned by foreign companies including Kumgyo International Commercial Bank managed by China Inner Mongolia Horizon International Trade Corporation (中国内蒙古泓元国际贸易有限责任公司); the First Eastern Bank (东大银行) in Rason owned by Unaforte Hong Kong (香港旺福特有限公司), with a Yanbian branch (延边旺福特); and the Chinese Commercial Bank (中华商业银行) in Rason owned by the China Gold Trade Exchange (Dalian) Co., Ltd. 金贸易货交易（大连）有限公司) and subsequently Junling Holdings (君领控股). China informed the Panel that the above-mentioned Chinese companies "do not have business authorization and qualification to establish and operate banks in the Democratic People's Republic of Korea". Given the country's evasion tactics where entities do not disclose the true nature of their operations, the Panel welcomes further information including replies to its enquiries on any measures taken to terminate these companies' relationships with financial institutions of the Democratic People's Republic of Korea since the adoption of resolution 2270 (2016).

55. With regard to the Panel's investigation of front companies set up by Kim Chol Sam, including Hongdae International, Pan Ocean Investment and Win Talent International (HK), China stated that the latter two companies were formally closed in February 2017 and September 2016 respectively, and that "No bank account opening or any financial and commercial activities of the two companies in Hong Kong were found".[39] Since these front companies were only registered in Hong Kong while focusing their financial operations on the mainland, this case warrants further investigations by the authorities.

56. While 30 per cent of Daedong Credit Bank is owned by the designated Korea Daesong Bank, the remaining foreign equity share was purchased by a Chinese national, Li Zhengang (李振刚) in 2011 in the name of Dandong Nice Chemicals Co., Ltd. (丹东奈斯化工有限公司) run by his relative, Li Shengda (李胜达) (see annexes 20-25). In so doing, he kept it separate from his company selling fuel oil to the Democratic People's Republic of Korea, Yueda (HK) International Trading Co. (see annex 26). Although the sale of fuel oil to the Democratic People's Republic of Korea is not sanctioned (apart from aviation and rocket fuel), Yueda International used Daedong Credit Bank for multiple transfers to its office in Pyongyang and to shipping agents and also provided loans to Kim Chol Sam's front company, Dalian Daxin Electronics (大连大信 电子有限公司). China informed the Panel that "the registered address of Yueda International Trading Co. Limited belongs to another secretary service company who claimed that they had never opened bank accounts or conducted other financial or commercial activities on behalf of Yueda International Trading Co.". Similar to the above cases, given that the principal base of Yueda's financial activities is the mainland, this case warrants further investigation by the authorities.

57. The Panel's investigation of the MKP Group of Companies uncovered a conglomerate of more than 10 companies (see annexes 27-28) with links to Mansudae Overseas Projects, the Reconnaissance General Bureau, OMM and Korea Kwangson Banking Corporation. One of the MKP subsidiaries, MKP Capital, specializing in the import of coal from the Democratic People's Republic of Korea, undertook business with (and established a telephone line on behalf of) a national of the Democratic People's Republic of Korea, Mr. Pak In Su (a.k.a. Daniel Pak),

[39] Communication to the Panel by the Permanent Mission of China to the United Nations, 19 July 2017.

whom the Panel previously investigated for activities in Malaysia on behalf of OMM while employed by the principal Malaysian company importing coal and minerals from the Democratic People's Republic of Korea (see annexes 29-31).[40] After Pak's work permit in Malaysia was revoked and he was listed as a "Prohibited Immigrant" in 2015, he continued to sell coal from the Democratic People's Republic of Korea in Malaysia and directed the proceeds to be transferred to a Hong Kong front company, Nice Field International, which has also been determined to have undertaken transactions on behalf of Korea Kwangsong Banking Corporation (see annex 32).[41] Mr. Pak is still residing in Malaysia. Pak holds a Democratic People's Republic of Korea diplomatic passport (see annex 33) and had informed the Panel that he was working for a "Democratic People's Republic of Korea trading company". This case illustrates the interconnectivity between different illicit networks of the Democratic People's Republic of Korea and how the country's illegal networks operate through foreign companies. The Panel is still awaiting replies to its enquiries regarding MKP and Edward Han, and is investigating the travel of Dr. Han and his family members to other South-East Asian countries in October 2016.[42]

Democratic People's Republic of Korea diplomatic premises used for commercial purposes

58. The Panel is investigating the leasing of Democratic People's Republic of Korea embassy property for commercial purposes in several countries including Bulgaria, Germany, Poland and Romania. In Germany the "City Hostel Berlin" has been operating on Democratic People's Republic of Korea embassy property since 2008 along with a banquet hall, generating €38,000 a month according to open sources. Following the incorporation of paragraph 18 of resolution 2321 (2016) into European Union legislation on 27 February 2017,[43] Germany urged the Democratic People's Republic of Korea to abide by paragraphs 17 and 18 of the resolution. The country responded on 21 March 2017 by denying the validity and legitimacy of resolution 2321 (2016) and all acts based upon it. Germany then informed the individuals leasing the property of their obligations under both resolution 2321 (2016) and European Union legislation, and on 4 May 2017 made the act of leasing property of the Democratic People's Republic of Korea an administrative offense under its Foreign Trade and Payments Ordinance. Germany continues to pursue the case.

Lack of appropriate legislative and regulatory framework to implement financial sanctions

59. The decision by the High Court of Singapore to reverse part of the conviction of Chinpo Shipping for its role in financing the 2013 *Chong Chon Gang* arms shipment shows that even countries with relatively sophisticated export control and legal systems still need to regularly review their legislation to ensure that it fully implements the resolutions. While part of the conviction for providing financial services without a licence was affirmed, the High Court reversed the portion of the conviction for violating regulations prohibiting the financing of nuclear and weapons of mass destruction proliferation. While the Chinpo wire transfers had

[40] See S/2015/131, para. 143.

[41] See Case No.16-mj-06602, District of New Jersey, filed 3August 2016.

[42] Malaysia informed the Panel on 21 June that it could not respond to any of the Panel's questions related to the International Consortium Bank because it was not licensed by the Central Bank of Malaysia and did not have any branches in Malaysia. Malaysia has yet to reply to the Panel's multiple other enquiries on MKP, its subsidiary companies or Dr. Edward Han. Nor did MKP itself reply to any of the Panel's questions in its reply letter.

[43] European Union Council decision 2017/345/CFSP.

financed the transport of weapons in violation of the arms embargo under resolutions 1718 (2006) and 1874 (2009), Singapore's regulations required a standard of proof that was hard to meet and which the Democratic People's Republic of Korea was able to evade using well-known tactics.[44] Further, while the relevant Singaporean domestic statute had borrowed some of the language from paragraph 18 of resolution 1874(2009), it did not include the financial obligations in paragraphs 9 and 10 banning financial transactions related to conventional weapons. This case demonstrates the importance of Member States ensuring that effective national legislation is in place with sufficient specificity of all prohibited activities and regularly updated to fully implement the resolutions. The Panel was informed that Singapore is studying the High Court's decision including a review of existing legislation.

60. As seen in the Chinpo case a major impediment to effective implementation of financial sanctions by Member States is the lack of appropriate domestic legal and regulatory frameworks to give effect to the resolutions. According to the Asia-Pacific Group on Money Laundering, a majority of Asia-Pacific countries do not have a legal basis to implement targeted financial sanctions to comply with United Nations resolutions and less than five have frozen the assets of designated individuals or entities of the Democratic People's Republic of Korea pursuant to the resolutions. At the request of several Member States, the Panel has provided technical assistance in the drafting of legislation to implement the targeted financial sanctions in the resolutions. The Panel also contributed to the drafting of model legislative provisions that accurately reflect the Security Council's resolutions and help to implement them efficiently and effectively.

Payments by designated banks for financial messaging services

61. Following the Panel's investigation into funds from designated banks for services from the Society for Worldwide Interbank Financial Telecommunication (SWIFT), and its findings in its 2017 final report that in the absence of an exemption from the Committee this constituted a violation of the asset freeze, Belgium suspended authorization for payments from designated Democratic People's Republic of Korea banks for financial messaging services and ancillary products and services. SWIFT subsequently announced on 8 March 2017 the suspension of access to its services for the Bank of East Land, Korea Daesong Bank, and Korea Kwangson Banking Corporation. A week later it blocked access for the Foreign Trade Bank of the Democratic People's Republic of Korea, Kumgang Bank, Koryo Credit Development Bank and North East Asia Bank, which constituted the remaining undesignated Democratic People's Republic of Korea banks with SWIFT access.

Recommendations

62. **The Panel reiterates its recommendation that the Security Council designate Pan Systems Pyongyang for its involvement in sales of arms and related materiel, adding that Pan Systems Pyongyang has undertaken transactions with designated entities.**

[44] The Singapore regulation required prior knowledge of the contents of the vessel. See Judgment in the High Court of Singapore between Chinpo Shipping Co (Pte) and Public Prosecutor, 12 May 2017.

Name:	Pan Systems Pte. Ltd. (Pyongyang branch)
A.k.a.:	Glocom; Wonbang Trading Co
Address:	Room 818, Pothonggang Hotel, Ansan-Dong, Pyongchon district, Pyongyang, Democratic People's Republic of Korea
Director:	Ryang Su Nyo;
Employees:	Pyon Won Gun, Pae Won Chol, Ri Sin Song, Kim Sung Su, Kim Chang Hyok (A.k.a. James Jin or James Kim) and Kim Pyong Chol.
Telephone:	+850-218-111 (ext. 8636).
Website	Glocom-corp.com
Front companies	International Golden Services (M) Sdn Bhd; International Global System (M) Sdn Bhd

63. **The Panel recommends that the Committee add the following information to the designation for Kim Chol Sam (KPi.035):**

Name:	Kim Chol Sam
DOB:	11 March 1971
Passport number	645120378
A.k.a.:	Jin Tiesan 金铁三
Affiliations:	• Overseas Representative, Daedong Credit Bank (2006-present) · Treasurer, Daedong Credit Bank (2003-2006) · Employee, Korea Daesong Bank (2000-2003) · Legal Rep/Sole Shareholder/Executive Director, Dalian Daxin Electronics Co., Ltd (大连大信电子有限公司), Registration number 210200400023405 · Director, Win Talent International (HK) Limited 俊胜国际（香港）有限公司 Registration 2085778 · Director, Hongdae Int'l Ltd (HK) Registration number 1283890; Unit 802, 8/F., 99 Hennessy Road, Wanchai, Hong Kong (Company Secretary: World Trade Enterprises Consultancy Limited 世贸企业咨询有限公司)
Address:	1106, 20B Gangwan street, Zhongshan district, Dalian, Liaoning province, 116001辽宁省大连市中山区港湾街20B1106号 116001 Email: 78084681@qq.com
Telephone:	+86 86829042

64. **Member States should draft and regularly update their national legislation and regulations with sufficient specificity and reference to all activities prohibited by the resolutions including the prohibition for the Democratic People's Republic of Korea to utilize diplomatic premises for commercial activities.**

65. When Member States take measures to limit the number of bank accounts for Democratic People's Republic of Korea diplomatic missions pursuant to paragraph 16 of resolution 2321 (2016), they must ensure that additional accounts are not established in the names of family members and front companies, and that bank accounts are closed when a diplomat ends his/her diplomatic tour in the country. In this regard, Member States should engage with their national corporate registries for information on companies registered in the names of Democratic People's Republic of Korea diplomats and their spouses, parents, and children.

66. The Panel recommends that the obligation for Member States to take the necessary measures to close existing branches, subsidiaries and representative offices of Democratic People's Republic of Korea banks should include individuals and entities acting as de facto representative offices.

VII. Sectoral sanctions

67. To monitor exports by the Democratic People's Republic of Korea of commodities falling under paragraph 30 of resolution 2270 (2106) and paragraphs 26 and 28 of resolution 2321 (2016), the Panel utilized Member State customs data as reported to the United Nations Commodity Trade Statistics Database (UN Comtrade) or obtained through commercial global trade databases. Because the Democratic People's Republic of Korea does not provide export or customs data, the Panel had to rely entirely on mirror statistics provided by States importing the relevant items from the country.

68. The Panel used the same Harmonized System (HS) classifications as in its 2017 final report[45] as a global frame of reference to monitor the relevant prohibited mineral imports from the Democratic People's Republic of Korea (see annex 34 for that table with technical corrections). For reasons elaborated in its 2017 final report, the Panel considers prohibited any items made from the listed commodities, as well as listed minerals in non-concentrated forms including semi-manufactured, alloys, unwrought, powdered and pulverized.[46]

69. For the present report, the Panel has compiled and analysed data available up to the date of submission of 5 August 2017.

70. During the reporting period, the Democratic People's Republic of Korea continued to export prohibited commodities to generate at least $270 million (see annex 35).

[45] S/2017/150, annex 16-1.
[46] Ibid., paras. 258-261.

Imports of commodities with exemptions (coal, iron and iron ore)

Iron and iron and steel products

Table 2

Importing States for iron and steel (HS 72) from the Democratic People's Republic of Korea, October 2016-April 2017

(Thousands of United States dollars)

Importing State	*October 2016*	*November 2016*	*December 2016*	*January 2017*	*February 2017*	*March 2017*	*April 2017*	*Total*
Barbados		88 083		317 365		405 448		
China	4 045 880	3 528 523	7 776 268	4 808 558	5 304 064	5 195 531	6 432 072	37 090 896
Costa Rica				36 762[a]	106 468[a]			143 230
France	10 992							10 992
El Salvador				249 493		30 453		279 946
India[b]		95 819		220 285				316 104
Indonesia		116 990	99 385					216 375
Ireland		27 206	90 441	17 280				134 927
Pakistan	1 374 290	2 512 188						3 886 478
Sri Lanka	194 381	431 307	380 620	363 941	198 740	291 527		1 860 516
Others								
Total	**5 625 543**	**6 800 116**	**8 346 714**	**5 696 319**	**5 926 637**	**5 517 511**	**6 432 072**	**44 344 912**

Source: UN Comtrade and Global Trade Atlas.

Note: Where the data for the same month differed between the two sources, the Panel generally used the lower of the two figures. The Panel has written to all relevant Member States requesting additional information.

[a] These figures are in United States dollars.

[b] Letter from India dated 14 July 2017 (annex 36).

71. The Democratic People's Republic of Korea exported a total of $44,344,912 of iron and steel (HS code 72) between October 2016 and April 2017 to the following countries: Barbados, China, Costa Rica, Egypt, France, El Salvador, India, Indonesia, Ireland, Pakistan and Sri Lanka. These exports constitute a violation of paragraph 26 of resolution 2321 (2016) unless an exemption is made under paragraph 26 (c) for transactions that are determined to be exclusively for livelihood purposes and unrelated to generating revenue for the country's nuclear or ballistic missile programmes or other activities prohibited by the resolutions.

72. The Panel sent enquiries to all of the above-mentioned Member States importing these commodities requesting information on the number of shipments inspected under paragraph 18 of resolution 2270 (2016), which requires inspections of all cargo from the Democratic People's Republic of Korea, and whether the shipments were considered under the "livelihood" exemption pursuant to paragraph 26 (c) of resolution 2321 (2016) and, if so, what procedures were undertaken by the companies to import the items and which verification measures were employed by the authorities to determine whether the revenue generated was exclusively for livelihood purposes and unrelated to activities prohibited under the resolutions. Apart from a reply from China stating that its customs authority inspects cargo transported to and from the Democratic People's Republic of Korea the Panel did not receive replies to its other questions from the relevant Member States. Nor were any notifications regarding iron and iron ore imports received by the Committee or inspections reported.

Table 3
Importing States for products of iron and steel (HS 73) from the Democratic People's Republic of Korea, October 2016-May 2017

(Thousands of United States dollars)

Importing State	*October 2016*	*November 2016*	*December 2016*	*January 2017*	*February 2017*	*March 2017*	*April 2017*	*May 2017*	*Total*
China	2 855	23 714	2 398		15 105	240[a]		16[a]	44 328
Egypt		11 698							11 698
France	29 400	5 067	7 805						42 272
India[b]	52 907	69 196	10 470	9 748	4 227				146 548
Ireland	4 418								4 418
Mexico	18 174	15 443		10 942	11 890				56 449
Others									
Total	**107 754**	**125 118**	**20 673**	**20 690**	**31 222**	**240[a]**	–	**16[a]**	**305 713**

Source: UN Comtrade and Global Trade Atlas.
[a] These figures are in United States dollars.
[b] See annex 36.

73. The Democratic People's Republic of Korea exported a total of $305,713 of products of iron and steel (HS code 73) to China, Egypt, France, India, Ireland and Mexico between October 2016 and May 2017. These exports constitute a violation of paragraph 26 of resolution 2321 (2016) unless an exemption is made by the importing Member State under paragraph 26 (c) of the resolution.

74. With regard to the Panel's previous reporting of imports in May, June, July and September 2016 under HS code 72 in 2016, Germany indicated to the Panel that, on 3 April 2017, an extensive audit of the importing firm's compliance with applicable foreign trade laws and regulations found "a number of cases in which the German importer acquired ferrosilicon (tariff code 7202 2100) from Asia Metallurgical Co. Ltd., 21B Infinna Tower, Dalian, People's Republic of China". Germany further stated that, while the evaluation of all business documents was still ongoing, the auditors had not been able to identify any contracts or direct business relations between the German importer and Democratic People's Republic of Korea companies and, on that basis, "it appears that the importing company did not (neither intentionally nor by negligence) violate any of the sanctions contained in relevant Security Council resolutions". The Panel notes that the indirect export by the Democratic People's Republic of Korea of a prohibited commodity is still evidence of a violation of paragraph 26 of resolution 2321 (2016) and also indicates possible evasion. The Panel will continue to investigate.

Iron ore

Table 4
Imports of iron ore (HS 2601) from the Democratic People's Republic of Korea, December 2016-May 2017

	Importing State	*Value (United States dollars)*	*Quantity (kg)*
December 2016	China	5 036 120	91 532 383
January 2017	China	10 770 987	168 266 111
February 2017	China	10 865 501	165 743 540

	Importing State	*Value (United States dollars)*	*Quantity (kg)*
March 2017	China	19 153 140	259 477 204
April 2017	China	20 260 043	285 490 000
May 2017	China	13 391 114	233 507 851
Total		**79 476 905**	**1 204 017 089**

Source: Global Trade Atlas.

75. The Democratic People's Republic of Korea exported a total of $79,476,905 and 1,204,017,089 kg of iron ore (HS code 2601) to China between December 2016 and May 2017. These exports constitute a violation of paragraph 26 of resolution 2321 (2016) unless an exemption is made under paragraph 26 (c).

Coal

Table 5

Imports of coal (HS 2701) from the Democratic People's Republic of Korea, December 2016-May 2017

Month	*Importing State*	*Value (United States dollars)*	*Quantity (kg)*
December 2016	China	168 195 227[a]	2 003 972 179[b]
January 2017	China	121 946 439[c]	1 446 792 636[d]
February 2017	China	97 587 359[e]	1 231 925 724[f]
March 2017	Malaysia	575 219.40[g]	6 342 000[h]
April 2017			
May 2017			
Total		**388 304 244.4**	**4 689 032 539**

Source: Global Trade Atlas (GTA), Committee website and the Panel.

Note: Minor discrepancies exist between the information Member States reported to the Committee and the data published by Global Trade Atlas. Table 5 reflects GTA data while the footnotes reflect the data reported by Member States to the Committee which is also available from www.un.org/sc/suborg/en/sanctions/1718/procurement-of-dprk-coal-by-member-states.

[a] Value according to GTA. Value calculated by the Committee based on average mean price set by Panel of Experts multiplied by Member State reported volume: $183,890,154.99. See www.un.org/sc/suborg/en/sanctions/1718/procurement-of-dprk-coal-by-member-states.

[b] Volume according to GTA. Volume reported to the Committee for December 2016: 2,001,634.43 tons.

[c] Value according to GTA. Value calculated by the Committee based on average mean price set by Panel of Experts multiplied by Member State reported volume: $126,390,037.84.

[d] Volume according to GTA. Volume reported to the Committee for January 2017: 1,441,985.60 tons.

[e] Value according to GTA. Value calculated by the Committee based on average mean price set by Panel of Experts multiplied by Member State reported volume: $104,590,640.00.

[f] Volume according to GTA. Volume reported to the Committee for February 2017: 1,232,000.00 tons.

[g] Value calculated by the Committee based on average mean price set by Panel of Experts multiplied by Member State reported volume.

[h] Volume reported to the Committee for March 2017 (in tons).

76. According to Global Trade Atlas, the Democratic People's Republic of Korea exported 2,003,972,179 kg ($168,195,227) of coal (HS code 2701) to China in December 2016. According to data reported to the Committee, for the month of

December 2016, the country exported 2,001,634.43 tons of coal: based on a mean price calculated by the Panel of Experts of $91.87 per ton for that month, the Committee Secretary calculated the value of $183,890,154.09. Therefore, the value and volume of the export of coal from the Democratic People's Republic of Korea in December 2016 exceeded the caps of 1,000,866 tons and $53,495,894 for the period ending on 31 December 2016 set by paragraph 26 (b) of resolution 2321 (2016) by 200 per cent for volume and 343.75 per cent for value (see annex 37).[47]

77. In a letter to the Panel, China stated, "After the adoption of the resolution 2321(2016) by the Security Council, Chinese competent authorities promptly started to formulate the corresponding implementation system, and timely took relevant measures. The coal imports from the Democratic People's Republic of Korea in December 2016 happened before China took concrete measures to implement resolution 2321(2016). In February 2017, China suspended coal imports from the Democratic People's Republic of Korea for the remainder of 2017."[48]

78. Indeed, the Chinese Ministry of Commerce issued a statement that China would suspend all coal imports from the Democratic People's Republic of Korea starting 19 February 2017 for the rest of the year, which dramatically decreased its imports of coal from the country in 2017 in comparison with 2016. In January and February 2017, the Democratic People's Republic of Korea exported to China $231,555,897.24 and 2,680.327.60 tons of coal and, in March, it exported to Malaysia $575,219.40 and 6,342 tons which is 57.76 per cent of the value cap set for 2017 ($400,870,018) and 35.74 per cent of the volume cap (7,500,000 tons) for 2017.[49] Taking into account the export from the Democratic People's Republic of Korea of coal in excess of the caps set for the period ending on 31 December 2016 and adding it to the calculation of the country's coal export for 2017, the country's overall coal export under the caps set in resolution 2321 (2016) at the end of March 2017 reached 90.29 per cent of the 2017 cap for the value and 49.08 per cent for the volume (see annex 37). This raises the need for Member States to be vigilant to ensure that the Democratic People's Republic of Korea does not export additional coal into different markets to prevent the country from exceeding the caps allotted by resolution 2321 (2016) for the period from 1 December 2016 to 31 December 2017.

79. Following China's suspension of the import of coal from the Democratic People's Republic of Korea as from 19 February 2017, the country started to diversify the countries to which it exports coal to include Malaysia and Viet Nam. In this regard, the Panel sent letters to Malaysia and Viet Nam with information on multiple coal shipments in February and March 2017 reported by two Member States as originating in the Democratic People's Republic of Korea and verified by the Panel using maritime data. The Panel also wrote to Thailand regarding a shipment originally destined for that country which upon being refused entry was subsequently rerouted to Viet Nam. Given its trans-shipment of banned commodities to Germany in evasion of sanctions, it is likely that the country is also trans-shipping coal through third countries which might make it difficult to detect. The Panel has yet to receive replies to all of these enquiries, but the available data

[47] According to paragraph 26 (b) of resolution 2321 (2016), total exports to all Member States of coal originating from the Democratic People's Republic of Korea shall not exceed the aggregate of US$ 53,495,894 or 1,000,866 tons, whichever is lower, between 30 November and 31 December 2016.

[48] On 5 April 2016, China's Ministry of Commerce issued Announcement No. 11 and, on 23 December 2016, it issued Announcement No. 81 to implement the sectoral bans in the resolutions.

[49] Assuming also that the procurement does not involve designated entities, are only for livelihood and meet the other conditions set out in paragraphs 26 (b) (i) and (ii).

indicates that China's ban on the import of coal from the Democratic People's Republic of Korea has led to the country rerouting coal to other Member States in an effort to generate revenue. The Panel's investigations reveal that the Democratic People's Republic of Korea is deliberately using indirect channels to export prohibited commodities, evading sanctions.

80. The Panel also enquired with the above-mentioned States as to the specific steps taken to ensure that the shipments of coal met the requirements of paragraph 26 (b) of resolution 2321 (2016) that they involve no individuals or entities associated with the Democratic People's Republic of Korea's prohibited programmes or any designated individuals or entities or those acting on their behalf or at their direction, or entities owned or controlled by them, or individuals or entities assisting in the evasion of sanctions. The Panel also requested of those Member States that they provide copies of confirmation that the shipments were exclusively for livelihood purposes of nationals of the Democratic People's Republic of Korea and unrelated to generating revenue for the country's prohibited programmes or any activities prohibited by the resolutions. No replies to these enquiries have been received.

Trans-shipment coal exemption[50]

81. For the period from 15 March to 20 July 2016, the Russian Federation reported nine shipments of its coal to China through Rajin to the Committee, and Switzerland reported one shipment in November 2016. As from 1 August 2016, China and the Russian Federation agreed that only China would report coal it imported from Russia via Rajin. Therefore, China reported 53 shipments between 1 August 2016 and 1 August 2017 with an approximate volume of 3,238,000 tons (+/- 10 per cent shipping tolerance), 27 of which (approximately 1,272,500 tons +/- 10 per cent shipping tolerance) fell within the reporting period of 28 February to 5 August 2017, showing a significant increase of trans-shipments of coal through Rajin.

Imports of commodities without exemptions

Silver

Table 6

Imports of silver ores and concentrates (HS 261610) from the Democratic People's Republic of Korea, December 2016-May 2017

Month	*Importing State*	*Value (United States dollars)*	*Quantity (kg)*
December 2016	China	240 022	402 510
January 2017	China	43 560	109 627
February 2017	China	57 136	128 730
March 2017	China	24 488	61 149
April 2017	China	–	–
May 2017		–	–
Total		**365 206**	**702 016**

Source: Global Trade Atlas.

[50] Under the coal trans-shipment exemption in paragraph 29 (a) of resolution 2270 (2016) and under paragraph 26 (a) of resolution 2321(2016) which replaced paragraph 29 (a) of resolution 2270 (2016).

82. The Democratic People's Republic of Korea exported a total of $365,206 and 702,016 kg of silver ores and concentrates (HS code 261610) between December 2016 and April 2017 to China in violation of paragraph 28 of resolution 2321 (2016).

Copper and copper ores and concentrates

Table 7
Imports of copper (HS 74) from the Democratic People's Republic of Korea, December 2016-March 2017

Month	*Importing State*	*Value (United States dollars)*	*Quantity (kg)*
December 2016	China	2 302 056	556 584
January 2017	China	–	–
	Sri Lanka	31 051	
February 2017	Sri Lanka	1 133	
March 2017			
Total		**2 334 240**	**556 584**

Source: UN Comtrade and Global Trade Atlas.

83. The Democratic People's Republic of Korea exported a total of $2,334,240 of copper, copper ores and concentrates (HS code 74) to China and Sri Lanka between December 2016 and May 2017 in violation of paragraph 28 of resolution 2321 (2016).

Table 8
Imports of copper ores and concentrates (HS 2603) from the Democratic People's Republic of Korea, December 2016-May 2017

Month	*Importing State*	*Value (United States dollars)*	*Quantity (kg)*
December 2016	China	3 025 500	6 059 859
January 2017	China	97 826	500 882
February 2017	China	2 371	44 860
April 2017			
May 2017			
Total		**3 125 697**	**6 605 601**

Source: Global Trade Atlas.

84. The Democratic People's Republic of Korea exported $3,125,697 and 6,605,601 kg of copper, including copper ores and concentrates (HS code 2603) between December 2016 and February 2017 to China in violation of paragraph 28 of resolution 2321 (2016).

Table 9
Imports of zinc and articles thereof (HS 79) from the Democratic People's Republic of Korea, December 2016-April 2017

Month	*Importing State*	*Value (United States dollars)*	*Quantity (tons)*
December 2016	China	5 325 661	2 056
January 2017	India[a]	526 018	

Month	*Importing State*	*Value (United States dollars)*	*Quantity (tons)*
February 2017			
March 2017			
April 2017			
Total		**5 851 679**	**2 056**

Source: UN Comtrade and Global Trade Atlas.
[a] See annex 36.

85. The Democratic People's Republic of Korea exported a total of $5,851,679 of zinc (HS code 79) between December 2016 and April 2017 to China and India in violation of paragraph 28 of resolution 2321 (2016).

Table 10
Imports of zinc ore (HS 2608) from the Democratic People's Republic of Korea, December 2016-May 2017

Month	*Importing State*	*Value (United States dollars)*	*Quantity (tons)*
December 2016	China	4 442 234	10 048
January 2017	China	65 653	173
February 2017	China	590 469	2 193
March 2017	China	24 575	49
April 2017	China	–	–
May 2017	China	–	–
Total		**5 122 931**	**12 463**

Source: Global Trade Atlas.

86. The Democratic People's Republic of Korea exported a total of $5,122,931 and 12,463 tons of zinc ore (HS code 2608) to China between December 2016 and March 2017 in violation of paragraph 28 of resolution 2321 (2016).

Table 11
Imports of nickel (HS 75) from the Democratic People's Republic of Korea, December 2016-March 2017

Month	*Importing State*	*Value (United States dollars)*	*Quantity (metric tons)*
January 2017	China	42 000	4

Source: Global Trade Atlas.

87. The Democratic People's Republic of Korea exported a total of $42,000 of nickel (HS code 75) in January 2017 to China in violation of paragraph 28 of resolution 2321 (2016).

Table 12

Imports of gold unwrought, semi-manufactured forms or powder (HS 7108) from the Democratic People's Republic of Korea, October 2016

Month	*Importing State*	*Value (United States dollars)*	*Quantity (tons)*
October 2016	India[a]	215,782	5

Source: UN Comtrade.

[a] See annex 36.

88. The Democratic People's Republic of Korea exported $215,782 worth of gold (HS code 7108) in October 2016 to India in violation of paragraph 30 of resolution 2270 (2016).

Conclusion

89. In spite of the sectoral bans, the Democratic People's Republic of Korea continues to export prohibited minerals, both directly from its territory to importing States as well as via trans-shipment through other States prior to the shipment reaching its final destination. Member States which do not implement their obligation to inspect cargo from the Democratic People's Republic of Korea under paragraph 18 of resolution 2270 (2016) facilitate the country's evasion of the bans. With regard to the coal restrictions in particular, the Democratic People's Republic of Korea is diversifying its export partners. Member States which have imported coal have not answered the Panel's request for information on steps taken to ensure that the conditions set out in paragraph 26 (b) for such import have been met.

Recommendations

90. **Member States must effectively implement paragraphs 26 and 28 of resolution 2321 (2016) and paragraph 30 of resolution 2270 (2016) by ceasing import of all banned commodities, adhering to the caps established for coal and ensuring that all the listed conditions are met for coal shipments falling under the cap. Given the amount of coal already exported from the Democratic People's Republic of Korea, Member States should remain vigilant to ensure that the country's not allowed to export additional coal into different markets for the period ending on 31 December 2017.**

91. **Member States should ensure that they do not accept prohibited commodities from the Democratic People's Republic of Korea into their territory via either direct or indirect means through third countries including by exercising their obligation to inspect cargo under paragraph 18 of resolution 2270 (2016).**

92. **To implement the commodity bans in the resolutions, Member States should decide to utilize the classifications in the HS code system elaborated by the World Customs Organization and contained in annex 34 or to develop their own harmonized code list of prohibited commodities.**

VIII. Recommendations

A. Recommendations of the Panel to the Security Council

Recommendation 1

The Panel reiterates that the recommendations made in its previous reports remain valid and should be reconsidered in the light of additional information it has gathered.

Recommendation 2

In addition to recalling the Panel's previous recommendation to designate key individuals involved in the nuclear and ballistic missile programmes of the Democratic People's Republic of Korea, including Ri Pyong Chol, Hong Sung Mu, Hong Yong Chil, Kim Jong Sik and Kim Rak Gyom, the Panel further recommends Jon Il Ho and Jong Sung Il for designation given their involvement in the nuclear and ballistic missile programmes.

Recommendation 3

Given that almost all Democratic People's Republic of Korea-controlled vessels are purchased second hand, the Panel recommends that the prohibition in paragraph 30 of resolution 2321(2016) on the sale, supply or transfer to the Democratic People's Republic of Korea of new vessels should be expanded to include the acquisition of all vessels.

Recommendation 4

The Panel reiterates its recommendation that the Security Council designate Pan Systems Pyongyang for its involvement in sales of arms and related materiel, adding that Pan Systems Pyongyang has undertaken transactions with designated entities.

Name:	Pan Systems Pte. Ltd. (Pyongyang branch)
A.k.a.:	Glocom; Wonbang Trading Co
Address:	Room 818, Pothonggang Hotel, Ansan-Dong, Pyongchon district, Pyongyang, Democratic People's Republic of Korea
Director:	Ryang Su Nyo;
Employees:	Pyon Won Gun, Pae Won Chol, Ri Sin Song, Kim Sung Su, Kim Chang Hyok (A.k.a. James Jin or James Kim) and Kim Pyong Chol.
Telephone:	+850-218-111 (ext. 8636).
Website	Glocom-corp.com
Front companies	International Golden Services (M) Sdn Bhd; International Global System (M) Sdn Bhd

B. Recommendations of the Panel to the Committee

Recommendation 1

The Panel recommends that the Committee update the existing list of designated individuals and entities as follows:

(a) Korea Daesong General Trading Corporation as an a.k.a. to KPe.042:
A.k.a. "Korea Daesong Trading Company No. 11"
Address: Potonggang District, Pyongyang, Democratic People's Republic of Korea
Tel.: +850-2-18111-8208; fax: +850-2-381-4432; email: daesong@star-co.net.kp

(b) Korea Kumsan Trading Corporation as an A.k.a. to KPe.044:[51]
Address: Haeun 2-dong, Pyogchon District, Pyongyang City/Mangyongdae District, Pyongyang, Democratic People's Republic of Korea
Tel.: +850-2-18111-8550; fax: +850-2-381-4410/4416; email: mhs-ip@star-co.net.kp

Recommendation 2

The Panel recommends that the Committee designate the Maritime Administration of the Democratic People's Republic of Korea for its long-standing and comprehensive role in sanctions evasion.

Name: Maritime Administration of the Democratic Republic of Korea (in Korean 조선민주주의인민공화국 국가해사감독국)
A.k.a.: North Korea Maritime Administration Bureau (MAB)
Address: Ryonhwa-2Dong, Central District, Pyongyang, DPRK
P.O. Box 416,
Director-General: Mr. Jon Ki Chol
Tel: 850-2-18111 Ext.8059
Fax: 850-2-381 4410
Email: mab@silibank.net.kp
Website: www.ma.gov.kp

Recommendation 3

The Panel recommends that the Committee add the following information to the list entry for Kim Chol Sam (KPi.035):

Name:	Kim Chol Sam
DOB:	11 March 1971
Passport number:	645120378
A.k.a.:	Jin Tiesan 金铁三
Affiliations:	• Overseas Representative, Daedong Credit Bank (2006-present) · Treasurer, Daedong Credit Bank (2003-2006) · Employee, Korea Daesong Bank (2000-2003) · Legal Rep/Sole Shareholder/Executive Director, Dalian Daxin Electronics Co., Ltd (大连大信电子有限公司), Registration number 210200400023405

[51] See S/2017/150, annex 17-1, para. (a).

- Director, Win Talent International (HK) Limited 俊胜国际（香港）有限公司 Registration 2085778
- Director, Hongdae Int'l Ltd (HK) Registration number 1283890; Unit 802, 8/F., 99 Hennessy Road, Wanchai, Hong Kong (Company Secretary: World Trade Enterprises Consultancy Limited 世贸企业咨询有限公司)

Address: 1106, 20B Gangwan street, Zhongshan district, Dalian, Liaoning province, 116001辽宁省大连市中山区港湾街20B1106号 116001
Email: 78084681@qq.com

Telephone: +86 86829042

C. Recommendations of the Panel to Member States

Recommendation 1

The Panel recommends Member States to incorporate the relevant provisions of resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016) and 2356 (2017) into their domestic legislation.

Recommendation 2

The Panel recalls and reaffirms its recommendation to Member States on enhanced vigilance over the export of commercial vehicles that could be converted for military use.

Recommendation 3

Member States should be vigilant regarding the ownership, management or operation of Democratic People's Republic of Korea-flagged vessels by their nationals, including the use of front companies to circumvent the resolutions. Upon receiving notification from the Panel of a violation, and where the relevant company does not cooperate, Member States should take measures to terminate sanctions evasion (such as striking off companies from their registry) and inform the Committee.

Recommendation 4

Member States should draft and regularly update their national legislation and regulations with sufficient specificity and reference to all activities prohibited by the resolutions including the prohibition for the Democratic People's Republic of Korea to utilize diplomatic premises for commercial activities.

Recommendation 5

When Member States take measures to limit the number of bank accounts for diplomatic missions of the Democratic People's Republic of Korea in accordance with paragraph 16 of resolution 2321 (2016), they must ensure that additional accounts are not established in the names of family members and front companies, and that bank accounts are closed when a diplomat ends his/her diplomatic tour in the country. In this regard, Member States should engage with their national corporate registries for information on companies registered in the names of diplomats of the Democratic People's Republic of Korea and their spouses, parents, and children.

Recommendation 6

The Panel recommends that the obligation for Member States to take the necessary measures to close existing branches, subsidiaries and representative offices of Democratic People's Republic of Korea banks should include individuals and entities acting as de facto representative offices.

Recommendation 7

Member States must effectively implement paragraphs 26 and 28 of resolution 2321 (2016) and paragraph 30 of resolution 2270 (2016) by ceasing import of all banned commodities, adhering to the caps established for coal and ensuring that all the listed conditions are met for coal shipments falling under the cap. Given the amount of coal already exported from the Democratic People's Republic of Korea, Member States should remain vigilant to ensure that the country is not allowed to export additional coal into different markets for the period ending on 31 December 2017.

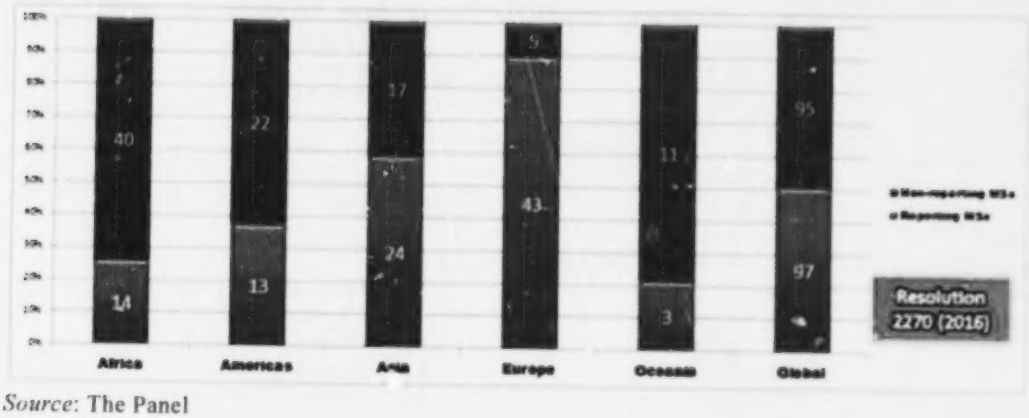
Recommendation 8

Member States should ensure that they do not accept prohibited commodities from the Democratic People's Republic of Korea into their territory via either direct or indirect means through third countries including by exercising their obligation to inspect cargo under paragraph 18 of resolution 2270 (2016).

Recommendation 9

To implement the commodity bans in the resolutions, Member States should decide to utilize the classifications in the HS code system elaborated by the World Customs Organization and contained in annex 34 or to develop their own harmonized code list of prohibited commodities.

Annex 1 : Overview of reporting under resolution 2270 (2016) by region



Source: The Panel

Annex 2 : Member States yet to submit NIR under resolution 2270 (2016)

Africa

1. Algeria
2. Botswana
3. Burkina Faso
4. Cameroon
5. Cabo Verde
6. Central African Republic
7. Chad
8. Congo
9. Côte D'Ivoire
10. Democratic Republic of the Congo
11. Equatorial Guinea
12. Eritrea
13. Gabon
14. Gambia
15. Ghana (*Co-Sponsor*)
16. Guinea
17. Guinea Bissau
18. Kenya
19. Lesotho
20. Liberia (*Co-Sponsor*)
21. Libya
22. Madagascar
23. Malawi
24. Mali
25. Mauritania
26. Morocco
27. Mozambique
28. Niger
29. Nigeria
30. Rwanda
31. Sao Tome and Principe
32. Seychelles
33. Sierra Leone
34. Somalia
35. South Sudan
36. Swaziland
37. Tanzania
38. Togo
39. Zambia
40. Zimbabwe

Americas

41. Antigua and Barbuda
42. Bahamas
43. Barbados
44. Belize
45. Bolivia (*SC non-permanent member 2017-2018*)
46. Cuba
47. Dominica
48. Dominican Republic
49. El Salvador
50. Grenada
51. Guatemala
52. Guyana
53. Haiti
54. Honduras
55. Jamaica
56. Nicaragua
57. Paraguay
58. Saint Kitts and Nevis
59. Saint Lucia
60. Saint Vincent and the Grenadines
61. Suriname
62. Trinidad and Tobago

Asia

63. Afghanistan
64. Bahrain
65. Bangladesh
66. Bhutan
67. Cambodia
68. Kuwait
69. Maldives
70. Myanmar
71. Nepal
72. Saudi Arabia
73. Sri Lanka
74. Syria
75. Timor-Leste
76. Thailand
77. Turkmenistan
78. Uzbekistan
79. Yemen

Europe

80. Bosnia and Herzegovina
81. Croatia (*Co-Sponsor*)
82. Iceland (*Co-Sponsor*)
83. Montenegro
84. Republic of Moldova

Oceania

85. Fiji
86. Kiribati
87. Marshall Islands
88. Micronesia
89. Nauru
90. Palau (*Co-Sponsor*)
91. Papua New Guinea
92. Samoa
93. Solomon Islands
94. Tonga
95. Tuvalu

Source: The Panel

Annex 3 : Member States yet to submit NIR under resolution 2321 (2016)

Africa

1. Algeria
2. Angola
3. Benin
4. Botswana
5. Burkina Faso
6. Burundi
7. Cameroon
8. Cabo Verde
9. Central African Republic
10. Chad
11. Comoros
12. Congo
13. Côte D'Ivoire
14. Democratic Republic of the Congo
15. Equatorial Guinea
16. Eritrea
17. Gabon
18. Gambia
19. Ghana
20. Guinea
21. Guinea Bissau
22. Kenya
23. Lesotho
24. Liberia
25. Libya
26. Madagascar
27. Malawi
28. Mali
29. Mauritania
30. Mauritius
31. Morocco *(Co-Sponsor)*
32. Mozambique
33. Niger
34. Nigeria
35. Rwanda
36. Sao Tome and Principe
37. Seychelles
38. Sierra Leone
39. Somalia
40. South Sudan
41. Sudan
42. Swaziland
43. Tanzania
44. Togo
45. Zambia
46. Zimbabwe

Americas

47. Antigua and Barbuda
48. Bahamas
49. Barbados
50. Belize
51. Bolivia (*SC non-permanent member 2017-2018*)
52. Costa Rica
53. Cuba
54. Dominica
55. Dominican Republic
56. El Salvador
57. Grenada
58. Guatemala
59. Guyana
60. Haiti
61. Honduras
62. Jamaica
63. Nicaragua
64. Paraguay
65. Saint Kitts and Nevis
66. Saint Lucia
67. Saint Vincent and the Grenadines
68. Suriname
69. Trinidad and Tobago
70. Venezuela

Asia

71. Afghanistan
72. Bangladesh
73. Bhutan
74. Cambodia
75. Iran
76. Iraq
77. Jordan *(Co-Sponsor)*
78. Kazakhstan *(SC non-permanent member 2017-2018, Co-Sponsor)*
79. Kuwait
80. Lebanon
81. Malaysia
82. Maldives
83. Myanmar
84. Nepal
85. Philippines (*Co-Sponsor*)
86. Sri Lanka
87. Syria
88. Thailand
89. Timor-Leste
90. Turkmenistan
91. Uzbekistan
92. Yemen

Europe

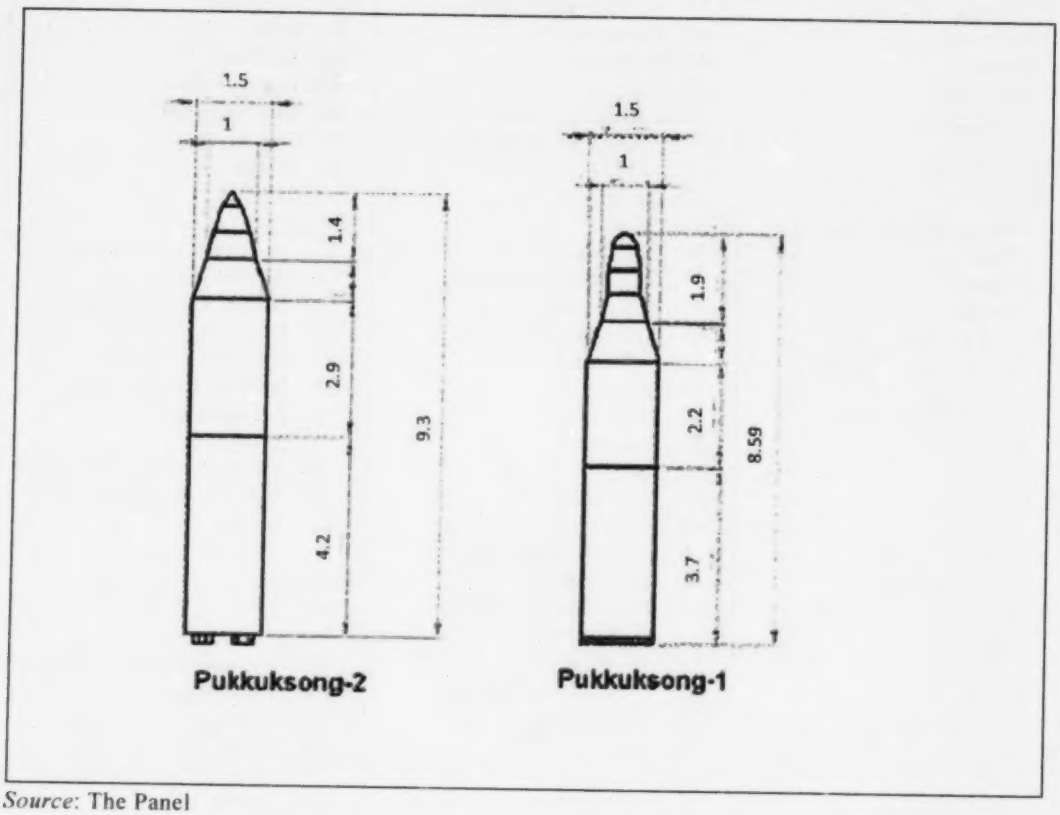
93. Austria *(Co-Sponsor)*
94. Azerbaijan
95. Bosnia and Herzegovina
96. Denmark *(Co-Sponsor)*
97. Iceland (*Co-Sponsor*)
98. Ireland *(Co-Sponsor)*
99. Luxembourg *(Co-Sponsor)*
100. Montenegro *(Co-Sponsor)*
101. Norway *(Co-Sponsor)*
102. Serbia

Oceania

103. Fiji
104. Kiribati
105. Marshall Islands
106. Micronesia
107. Nauru
108. Palau
109. Papua New Guinea
110. Samoa
111. Solomon Islands
112. Tonga
113. Tuvalu
114. Vanuatu

Source: The Panel

Annex 4 : Estimations of the Pukguksong-1 and -2 dimensions (in meters)



Source: The Panel

Annex 5 Facility near Hamhung associated with the production of solid-fuel

Buildings associated with the production of solid fuel
The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.
Hamhŭng
D.P.R.K
0
500
1,000 Meters
WorldView2
18 December 2016
UN Panel of Experts
Established pursuant to Resolution 1874 (2009)

Map No. 4573 United Nations
July 2017

Department of Field Support
Geospatial Information Section (formerly Cartographic Section)

Source: The Panel

Annex 6 : Interpol Red Notices to arrest four DPRK suspects in connection with the VX attack reported by Malaysia (issued 16 March 2017)

3/25/2017
- INTERPOL
CONNECTING POLICE FOR A SAFER WORLD
HOME
ABOUT INTERPOL
NEWS AND MEDIA
MEMBER COUNTRIES
INTERPOL EXPERTISE
CRIME AREAS
RI, JAE NAM
WANTED BY THE JUDICIAL AUTHORITIES OF MALAYSIA
IDENTITY PARTICULARS
CHARGES
PHOTOS
IF YOU HAVE ANY INFORMATION PLEASE CONTACT
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INTERPOL:
Red Notices are issued for individuals sought for prosecution or to serve a sentence. When the individual is sought for prosecution it means they are suspected of committing a crime but have not yet been prosecuted and so should be considered innocent until proven guilty.

Source: Interpol

7/25/2017 - INTERPOL

Search: Keyword English

CONNECTING POLICE FOR A SAFER WORLD

HOME ABOUT INTERPOL NEWS AND MEDIA MEMBER COUNTRIES INTERPOL EXPERTISE CRIME AREAS

HONG, SONG HAC

WANTED BY THE JUDICIAL AUTHORITIES OF MALAYSIA

IDENTITY PARTICULARS

Present family name: HONG
Forename: SONG HAC
Sex: Male
Date of birth: 22/03/1984 (33 years old)
Place of birth: Korea (democratic people's republic of)
Language spoken:
Nationality: Korea (democratic people's republic of)

CHARGES Published as provided by requesting entity

Charges: Murder

PHOTOS

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https://www.interpol.int/notice/search/wanted/2017-15148

Source: Interpol

7/25/2017 - INTERPOL

Search Keyword

CONNECTING POLICE FOR A SAFER WORLD

HOME ABOUT INTERPOL NEWS AND MEDIA MEMBER COUNTRIES INTERPOL EXPERTISE CRIME AREA

O, JONG GIL

WANTED BY THE JUDICIAL AUTHORITIES OF MALAYSIA

IDENTITY PARTICULARS

Present family name: O
Forename: JONG GIL
Sex: Male
Date of birth: 00/00/1982 (64 years old)
Place of birth: Korea (democratic people's republic of)
Language spoken:
Nationality: Korea (democratic people's republic of)

CHARGES Published as provided by requesting entity

Charges: Murder

PHOTOS

IF YOU HAVE ANY INFORMATION PLEASE CONTACT

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https://www.interpol.int/notice/search/wanted/2017-15142

Source: Interpol

7/25/2017 - INTERPOL

Search: Keyword

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RI, JI HYON

WANTED BY THE JUDICIAL AUTHORITIES OF MALAYSIA

IDENTITY PARTICULARS

Present family name: RI
Forename: JI HYON
Sex: Male
Date of birth: 20/11/1984 (32 years old)
Place of birth: Korea (democratic people's republic of)
Language spoken:
Nationality: Korea (democratic people's republic of)

CHARGES Published as provided by requesting entity

Charges: Murder

PHOTOS

IF YOU HAVE ANY INFORMATION PLEASE CONTACT

Your national or local police
General Secretariat of INTERPOL

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https://www.interpol.int/notice/search/wanted/2017-15136

Source: Interpol

Annex 7 : Eritrea correspondence with the Panel on sanctions violations

ሃገረ ኤርትራ
ሚኒስትሪ ጉዳያት ወጻኢ

دولة إرتيريا
وزارة الشؤون الخارجية

The State of Eritrea
Ministry of Foreign Affairs

The Ministry of Foreign Affairs of the State of Eritrea presents its compliments to the panel of experts established pursuant to Security Council Resolution 1874 (2009), and in reference to a letter dated 27 October 2016, addressed to Eritrea, with a covering note by Mr. Louis Morales, has the honour to receive clarifications and further information on the following matters:-

1. What are the functions, mandates and boundaries of authority of the **"Panel of Experts on the Democratic People's Republic of Korea (DPRK)"**? To whom is the Panel of Experts accountable?
2. Who appoints the Panel? What are the respective functions and powers of **Mr. Hugh Griffiths** and Mr. **Louis Morales**?
3. Could full and authentic contents of what is described as the **"United Nations Security Council resolution 1874 (2009)"** and the other resolutions listed be provided?
4. Which is the member State that is referred to in the clause **"...an interdiction by a member State of an air shipment of arms and related material involving the DPRK"**?
5. In the letter there is reference to **"...Malaysian –based company named Global Communications** ...Is this company legally registered in Malaysia? Have the Malaysian authorities been approached on this matter? If so, what is their response?
6. It would be appreciated if any relevant information could be provided at the disposal of the panel prompting it to assert: **"Mr. Pyon Won Gun is the director of Glocom, Glocom is a front company of DPRK company named Pan Systems Pyongyang Branch"**.
7. Could it also kindly provide the relevant information on the **"Beijing Chengxing Trading Co, Ltd"** that is referred to in the letter?
8. Could it provide an authentic and un-obliterated copy of **"Annex 1:Air way bill"** cited in the letter?
9. Could it be possible to get some information on who **Mr. Benoit Camguilhem** is? What are his functions and authority? What are the implications of his statement that reads: **"Failure to provide the requested information could lead to severe consequences..."**?

The Eritrean Ministry of Foreign Affairs sincerely hopes that it will receive adequate clarification on the matters raised above. It shall take the liberty to send you any additional queries for further clarification after it receives your responses. The Ministry of Foreign Affairs of the State of Eritrea avails itself of this opportunity to renew to the panel of experts the assurances of its highest consideration.

2 November 2016

Mr. Hugh Griffiths
Coordinator of the Panel of Experts established
pursuant to Security Council Resolution 1874 (2009)

United Nations Nations Unies

HEADQUARTERS • SIEGE NEW YORK, NY 10017
TEL: +1 212 963 1055 • FAX: +1 212 963 2013

UNITED NATIONS SECURITY COUNCIL PANEL OF EXPERTS ESTABLISHED PURSUANT TO RESOLUTION 1874 (2009)

REFERENCE: S AC 49 2017 PE OC 268

YOUR REFERENCE:

8 June 2017

Excellency,

I have the honour to write to you with regard to ongoing efforts of the Panel of Experts established pursuant to United Nations Security Council resolution 1874 (2009) to gather, examine and analyse information regarding the implementation of the measures imposed on the Democratic People's Republic of Korea (DPRK) by Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016) and 2356 (2017).

The Panel wishes to follow up on its correspondence of 27 October 2016 (ref. S AC 49 2016 PE OC 917) and your reply dated 22 December 2016 (see Annex) relating to the violation of the United Nations Security Council resolutions by an Eritrean entity concerning the arms embargo imposed on the DPRK.[1]

As the Panel intends to provide its findings in its next midterm report to the UN Security Council, due by 5 August 2017 in accordance with paragraph 43 of Security Council resolution 2321 (2016), we would be grateful for the following information:

(a) Copies of documents relating to the legal status of the Eritrean entity, Eritech; the names of its management team and its relationship to the Eritrean authorities and whether Eritech is a State or quasi-State entity, or is a private company and whether it has contractual relationships with the Eritrean authorities.

His Excellency
Amanuel Giorgio
Deputy Permanent Representative
of the Republic of Eritrea
to the United Nations
New York

(a) Documentation relating to the activities of Eritech since 2011, including the company registration and tax records and all other reports made available to the Eritrean authorities or its shareholders;

(b) The relationship between Eritech and DPRK entities or DPRK nationals or other nationals working on behalf of DPRK-related contracts since 2011;

(c) Copy of the contract related to the procurement of the items; see original Panel's letter dated 27 October 2016 (ref. S/AC.49/2016/PE/OC.917);

(d) All correspondence with Glocom, Mr. Pyon Won Gun, and Pan Systems for the acquisition of the items listed the original Panel letter dated 27 October 2016 (ref. S/AC.49/2016/PE/OC.917).

Questions (d) and (e) were already contained in our letter of 27 October 2016 for which the Panel has not yet received any substantive answers from either Eritech or the Eritrean authorities. Your response of 2 November 2016 (see Annex) contained a number of questions. The Eritrean Foreign Ministry, through its Permanent Mission to the United Nations in New York was already aware of the answer to a number of these questions, including the identity of Panel Members as the Panel had already met with Eritrea's Permanent Mission to the United Nations, including two officials serving in New York, by the time of your letter.

In addition to private meetings at the Eritrean Permanent Mission to the United Nations to explain the mandate of the Panel and hand over an earlier letter relating to the Panel's investigations of Eritrea in 2015 (see Annex) which was covered in our 2016 final report[2], staff at your Mission and at other Eritrean embassies, such as in Pretoria, have participated in the Panel's outreach meetings held in Johannesburg, as well as in New York in 2016 and 2017. At these meetings your representatives publically assured the diplomatic audience of Eritrea's cooperation with the Panel.

If the content of these meetings have not been relayed to national capital, you will find publically available information on the role of the Panel and the appointments by the UN Secretary General at the following web link: https://www.un.org/sc/suborg/en/sanctions/1718. You may also find more information relating to the Panel's ongoing investigation of the violation involving Eritech in the Panel's 2017 final report (S/2017/150) (see paragraphs 72-76), which is also available at the website listed above.

Your request for un-redacted documentation and the identity of the States that reported this violation[3] are subject to confidentiality protocols that the Panel offers to co-operating Member States and companies and we therefore regret that we are unable to provide you with these additional answers.

[2] For Eritrea's links with a DPRK designated entity, Green Pine Associated Corporation, see S/2016/157, 24 February 2016, paras. 94-95.
[3] For violations: see S/2017/150, 27 February 2017, paras. 72-76.

In paragraph 5 of resolution 2345 (2017), the Security Council calls upon all Member States and other interested parties to cooperate fully with the Panel of Experts, in particular by supplying any information at their disposal.

The Panel would welcome any other information that your Government might consider relevant to its work as mandated by the Security Council in this regard. In addition, the Panel would like to assure you that any information you may consider confidential can be handled accordingly and used solely for the information of the Security Council and the 1718 Committee.

Given the importance the Panel attaches to this investigation, we would be most grateful for any information to be supplied within one month of the date of this letter.

Should you wish to discuss this request or any follow-up matters, please contact the Panel via Mr. Hugh Griffiths (email: griffiths1 @un.org; telephone: +1 212-963-7206).

Please accept, Excellency, the assurances of my highest consideration.

Hugh Griffiths
Coordinator of the Panel of Experts established
pursuant to Security Council Resolution 1874 (2009)

Annex: Eritrea's letter to the Panel dated 22 December 2016; Panel's letter to Eritech dated 27 October 2016 (ref. S/AC.49/2016/PE/OC.917); and Panel's letter to Eritrea dated 7 December 2015 (ref. S/AC.49/2015/PE/OC.819)

ቀዋሚ ሚሽን ሃገረ ኤርትራ
ኣብ መደብ ሕቶታት ሃገራት ጽዩ የርክ

البعثة الدائمة لدولة إريتريا
لدى الأمم المتحدة - نيويورك

Permanent Mission of The State of Eritrea
To the United Nations, New York

03 July 2017

Sir,

I refer to your communication of 8 June 2017, Ref. No: /AC.49/2017/PE/OC.268, and have the honour to forward the following message upon the instructions of the Ministry of Foreign Affairs of the State of Eritrea.

1. As you will recall, the Ministry of Foreign Affairs had duly sent a letter to the Panel, on 22 December 2016, in response to and seeking clarifications on several important aspects raised in, and related to, the Panel's previous message.
2. While the Foreign Ministry has been expecting a comprehensive response to its queries, the Panel has apparently chosen to circumvent this route to repeat previous questions as well as put forth new ones.
3. The Foreign Ministry cannot, obviously, take as official government commitment, "assurances" that you deduce from "private and outreach meetings" that you have held at various times "with staff at our UN and Pretoria Embassies".
4. In the event, we again renew our request for clarifications to the questions that we have raised and that were conveyed to you in our message of 22 December last year.

Please accept, Sir, the assurances of my highest consideration.

Amanuel Giorgio
Charge d affaires

Mr. Hugh Griffiths
Coordinator of the Panel of Experts established
pursuant to Security Council Resolution 1874 (2009)
United Nations Secretariat, New York, NY, 10017
Fax: 212 963 1300

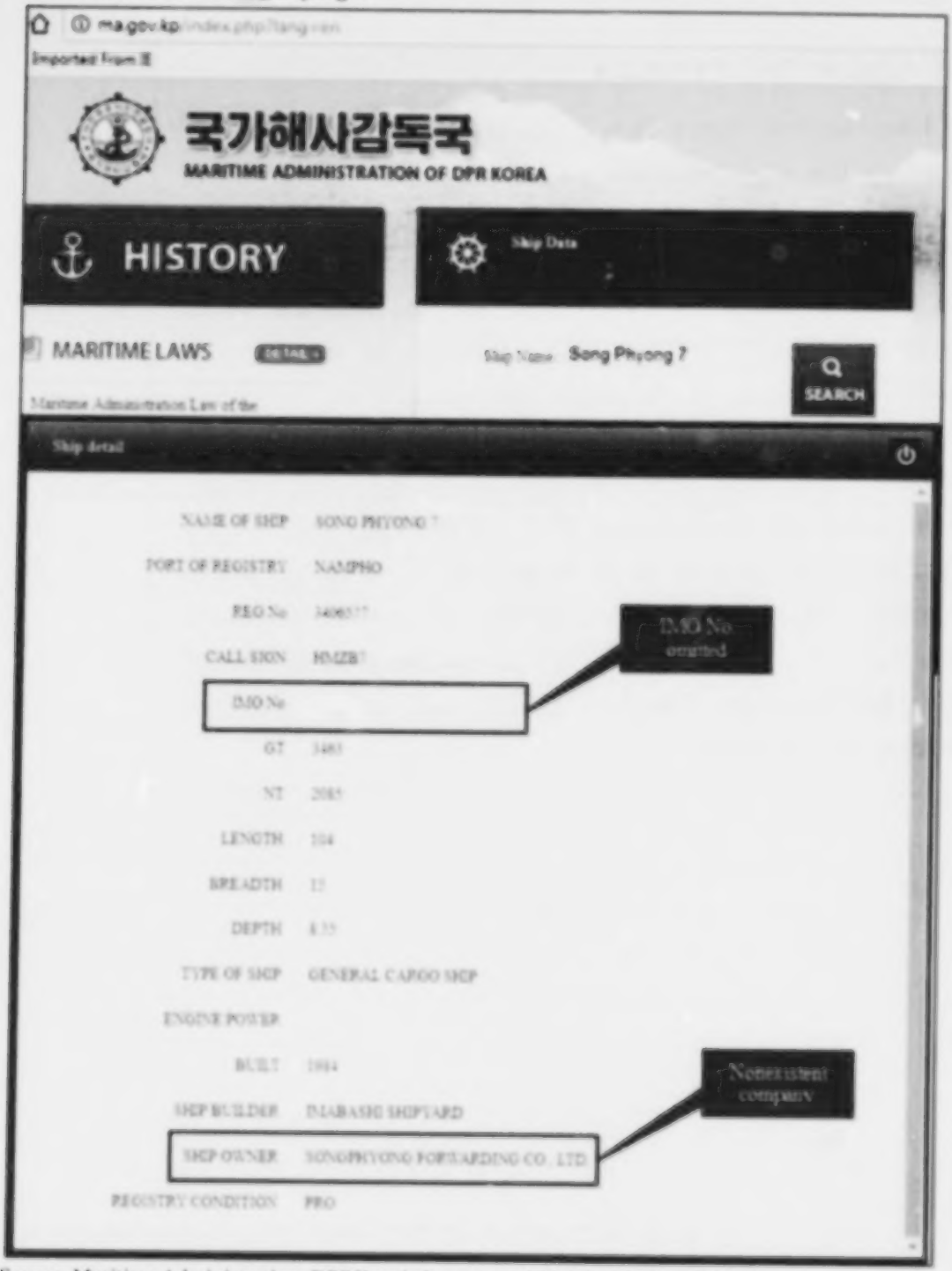
800 Second Avenue 18th Floor New York, NY 10017 • Tel: (212) 687-3390 • Fax: (212) 687-3138
e-mail: general@eritrea-unmission.org

Annex 8 : Extract of China's correspondence to the Panel of 19 July 2017

5. S/AC.49/2017/PE/OC.74

China National Heavy Duty Truck Group Co. Ltd.(CNHTC) exported civilian all-wheel-drive trucks with 3 axles to the DPRK from 2010 to 2014. The Security Council resolution 2321(2016) lists "truck chassis with 6 or more axles" as the dual-use item that is prohibited to export to the DPRK, and the relevant trucks exported by CNHTC are not under embargo of the Security Council. Furthermore, in the sales contract, CNHTC explicitly requested the buyer to ensure the civilian use of the trucks and comply with concerned provisions of Chinese laws and Security Council resolutions. Since August 2014, CNHTC has not exported any civilian all-wheel-drive trucks to the DPRK. As for the trucks used in the military parade of the DPRK, we can not determine whether they are produced by CNHTC or not, because the trucks' Vehicle Identification Number (VIN) and other relevant information are not available.

Annex 9 : Extract from the DPRK Maritime Administration website showing the false identity of the *Hui Chon* created as the *Song Phyong 7*



Source: Maritime Administration, DPRK website accessed 20 July 2017 available at http://ma.gov.kp/index.php?lang=en

Annex 10 : Falsified documents for the *Song Phyong 7* certified by the Maritime Administration

조 선 민 주 주 의 인 민 공 화 국
THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

배 림 시 등 록 증 서
INTERIM CERTIFICATE OF REGISTRY

IMO No. omitted

Identical to the Real Ship Certificate of Registry

No. 3215803055607

배 이 름 Name of Ship	국 적 Flag	선 적 항 Port of Registry	등록번호 Registered No	호출부호 Call Sign
SONG PHYONG 7	DPR KOREA	HAMPHO	3406577	HMZB7

IMO Number	총 톤 수 Gross Tonnage	순 톤 수 Net Tonnage	배길이 Length	배너비 Breadth	현측높이 Depth
	3463	2085	104.00 M	15.00 M	8.55 M

HUI CHON	DPR KOREA	HAMPHU	3405856	HMZI	
IMO Number	Gross Tonnage	Net Tonnage	Length	Breadth	Depth
8405270	3463	2085	104.00 M	15.00 M	8.55 M

소유자명 Ship Owner	SONGPHYONG FORWARDING CO., LTD.

발급장소 Place of Issue	발급일자 Date of Issue	만기날자 Date of Expiry
PYONGYANG, DPR KOREA	20 OCTOBER 2016	19 JANUARY 2017

이 배는 조선민주주의인민공화국 국가해사감독국에
임시등록되였음을 증명함

THIS IS TO CERTIFY THAT THE SHIP HAS TEMPORARILY BEEN REGISTERED IN THE MARITIME ADMINISTRATION OF DPR KOREA

조선민주주의인민공화국
국가해사감독국
MARITIME ADMINISTRATION, DPR KOREA

Source: Tokyo MOU Port State Control authorities

조선민주주의인민공화국 국가해사감독국
MARITIME ADMINISTRATION, DPR KOREA

배무선국허가증서
SHIP STATION LICENCE

№ 1574617351

Under the authorization of the government, the Maritime Administration, DPR Korea authorizes and issues ship station license for installation and use of the radio equipments described below in accordance with the Radio Regulations of and the Acts of Maritime Superintendence of DPR Korea, the relevant Provisions of the International Convention for the Safety of Life at Sea, the Maritime Radio Regulatio[illegible] International Telecommunication C[illegible]

Falsified Callsign

IMO No. ommitted

Name of Ship		Call Sign	IMO Number	Type of Ship	Gross Tonnage
SONG PHYONG 7	3406577	HMZB7		GENNAERAL CARGO SHIP	3463

Falsified MMSI

	MMSI	Accounting Authority	Port of registry	Owner of Ship
A1+A2+A3	445554000	KP 05	NAMPHO	SONGPHONG FORWARDING CO. LTD.

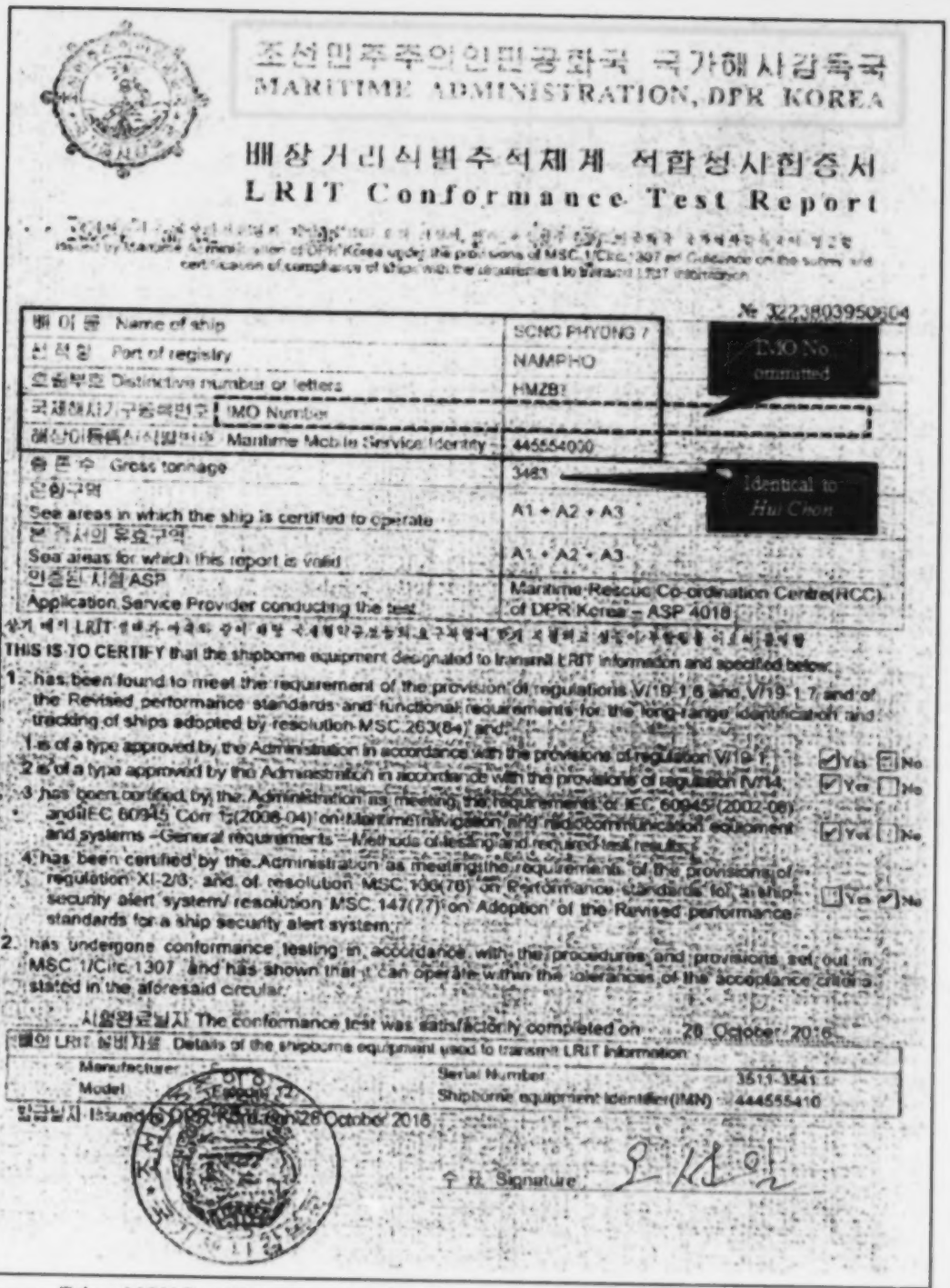
No	Items	Type, Power, Class of Emission, Frequency, Bands of Assigned Frequencies
1	VHF DSC/RADIOTELEPHONE	FM-8500/FM-6800, 25W, G3E, G2B, 156~163 MHz
2	MF/HF DSC/RADIOTELEPHONE	SRG-1150DN, 150W, J3E, H3E, 100KHz~30MHz
3	INMARSAT SHIP STATION	TT-3020C/FELCOM12, 12~16 8BW, 8PSK, 1626.5~1646.5 MHz
4	NAVTEX	SNX-200, F1B, 518KHz
5	SATELLITE EPIRB	SEP-406, 5W, A3X, G1B, 406MHz
6	RADAR	FAR-2825-4A/BR-1000-044, 25/4 KW, PON, 9410±30MHz
7	RADAR TRANSPONDER	TBR-600(2), 400mW, QON, 9.2~9.5 GHz
8	TWO-WAY VHF RADIOTELEPHONE	SR-102, 500mW, G3E, 156.3~156.875 MHz
9	AIS TRANSPONDER	FA-100, 12.5W, GMSK, 156.025~162.025 MHz
10	FACIMILE RECEIVER	RF116A, F3C, 80KHz~25MHz

발급년월일 Date of Issue 27 October 2016 유효기간 Valid until 26 January 2017

발급장소 Place of Issue Pyongyang, DPRK 서명 Signature

조선민주주의인민공화국
국가해사감독국
MARITIME ADMINISTRATION, DPR KOREA

Source: Tokyo MOU Port State Control authorities



조선민주주의인민공화국 국가해사감독국
MARITIME ADMINISTRATION, DPR KOREA

배상거리식별추적체계 적합성시험증서
LRIT Conformance Test Report

№ 3223803950304

배 이 름 Name of ship	SONG PHYONG 7
선적항 Port of registry	NAMPHO
호출부호 Distinctive number or letters	HMZB1
국제해사기구등록번호 IMO Number	
해상이동업무식별부호 Maritime Mobile Service Identity	445554000
총톤수 Gross tonnage	3483
운항구역 See areas in which the ship is certified to operate	A1 + A2 + A3
본 증서의 유효구역 Sea areas for which this report is valid	A1 + A2 + A3
인증된 지질 ASP Application Service Provider conducting the test	Maritime Rescue Co-ordination Centre(HCC) of DPR Korea – ASP 4018

IMO No omitted

Identical to *Hui Chon*

THIS IS TO CERTIFY that the shipborne equipment designated to transmit LRIT information and specified below:

1. has been found to meet the requirement of the provision of regulations V/19-1.6 and V/19-1.7 and of the Revised performance standards and functional requirements for the long-range identification and tracking of ships adopted by resolution MSC.263(84); and
   1 is of a type approved by the Administration in accordance with the provisions of regulation V/19-1; ☑ Yes ☐ No
   2 is of a type approved by the Administration in accordance with the provisions of regulation IV/14; ☑ Yes ☐ No
   3 has been certified by the Administration as meeting the requirements of IEC 60945 (2002-08) and IEC 60945 Corr 1(2008-04) on Maritime navigation and radiocommunication equipment and systems –General requirements – Methods of testing and required test results; ☑ Yes ☐ No
   4 has been certified by the Administration as meeting the requirements of the provisions of regulation XI-2/6, and of resolution MSC.100(73) on Performance standards for a ship security alert system/ resolution MSC.147(77) on Adoption of the Revised performance standards for a ship security alert system; ☐ Yes ☑ No
2. has undergone conformance testing in accordance with the procedures and provisions set out in MSC.1/Circ.1307 and has shown that it can operate within the tolerances of the acceptance criteria stated in the aforesaid circular.

시험완료일자 The conformance test was satisfactorily completed on 28 October 2016

배의 LRIT 설비자료 Details of the shipborne equipment used to transmit LRIT information:

Manufacturer		Serial Number	3511-3541
Model	Inmarsat C	Shipborne equipment identifier(IMN)	444555410

발급일자 Issued on 28 October 2016

수 신 Signature

Source: Tokyo MOU Port State Control authorities

**Note: Long Range Identification and Tracking (LRIT) system is a satellite-based, real-time reporting system, established by the IMO to collect and disseminate vessel position information received from IMO Member States' ships subject to the International Convention for the Safety of Life at Sea.

Annex 11 : Extract of the Official Journal No. 0029 dated 4 February 2014, French Ministry of Economy and Finance

Legifrance.gouv.fr
LE SERVICE PUBLIC DE LA DIFFUSION DU DROIT

JORF n°0029 du 4 février 2014 page 2016
texte n° 6

ARRETE

Arrêté du 30 janvier 2014 portant application des articles L. 562-2 et suivants du code monétaire et financier

NOR: EFIT1324561A

Par arrêté du ministre de l'économie et des finances en date du 30 janvier 2014 :
Considérant que :
KIM (Yong-nam), alias KIM Young-nam, ressortissant nord-coréen, né le 2 décembre 1947 ou le 2 décembre 1942 à Pyongyang, membre du Bureau général de reconnaissance, organisme chargé du renseignement nord-coréen dont les avoirs sont gelés par le règlement (UE) n° 1355/2011 du 20 décembre 2011 ;
KIM (Su-gwang), alias KIM Sou-gwang, alias KIM Sou-kwang, alias KIM Su-kwang, alias KIM Son-kwang, alias KIM Son-gwang, fils de KIM Yong-Nam, né le 18 août 1976 à Pyongyang, membre du Bureau général de reconnaissance, organisme chargé du renseignement nord-coréen dont les avoirs sont gelés par le règlement (UE) n° 1355/2011 du 20 décembre 2011 ;
KIM (Su-gyong), née le 4 mai 1973 ou le 16 janvier 1973 à Pyongyang, passeport ordinaire n° 381120603, directrice du département des relations internationales de la Korean United Devlopment Bank,
sont susceptibles de commettre, de par leur fonction, des actes sanctionnés ou prohibés par les résolutions adoptées dans le cadre du chapitre VII de la Charte des Nations unies ou des actes pris en application de l'article 15 du traité sur l'Union européenne relatifs à la Corée du Nord,
les fonds, instruments financiers et ressources économiques qui appartiennent à KIM (Yong-nam), KIM (Su-gwang) et KIM (Su-gyong) font l'objet d'une mesure de gel d'avoirs.
Sont interdits les mouvements ou transferts de fonds, instruments financiers et ressources économiques au bénéfice des personnes ci-dessus mentionnées.
Les dispositions du présent arrêté entrent en vigueur à la date de sa publication au Journal officiel de la République française et sont valables pour une durée de six mois.

Notification des voies et délais de recours

Le présent arrêté peut être contesté dans les deux mois à compter de sa notification soit par recours gracieux adressé au ministère de l'économie et des finances, 139, rue de Bercy, télédoc 233, 75572 Paris Cedex 12, soit par recours contentieux auprès du tribunal administratif de Paris. En l'absence de réponse à un recours gracieux dans les deux mois qui suivent la date du recours, il y a rejet implicite de la demande et le tribunal administratif de Paris pourra être saisi dans les deux mois suivant le rejet implicite.

Source: French Ministry of Economy and Finance Official Journal No. 0029 of 4 February 2014

Annex 12 Passports and visas of Mr. Kim Sou Kwang (A.k.a Kim Sou-gwang, Son-kwang KIM, KIM Son-gwang, KIM Su-kwang.

조선민주주의인민공화국 려권 (몸내보관용)

No 7 190233547

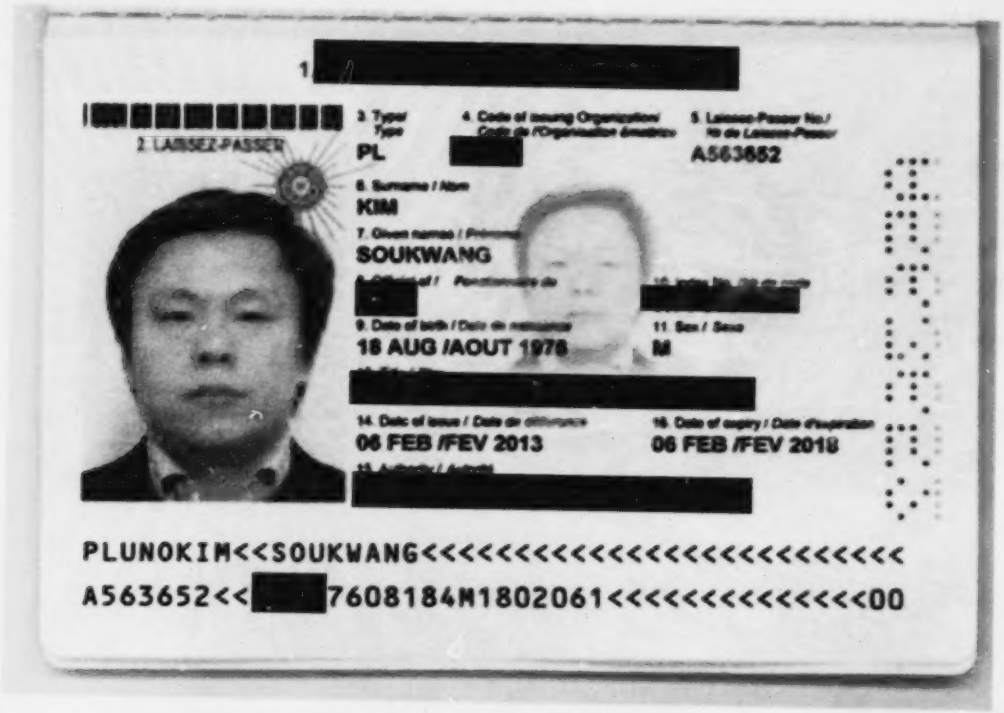
이 름 김 수 광
Name in full Kim Sou Kwang
년 월 일 1976 년 8 월 18 일 성별 남자
Date of birth Aug. 18, 1976 Sex M
유효기간 5 년 (손) 월 일
Validity of the passport 5 years
발급일자 주체89 (2000) 년 6 월 15 일
Issued on June. 15 Juche 89 (2000)

외무상의 위임에 의하여
By authorization of the Minister of Foreign Affairs

조선민주주의인민공화국 외무성

이 려권의 유효기한을 2007 년 6 월 5 일까지 연기함.
The validity of this passport is extended to June 5, 2007

조선민주주의인민공화국
Democratic People's Republic of Korea
PS
PRK
918220369
김수광
M
KIM
SOU KWANG
DPR KOREA
18 AUG 1976
PYONGYANG
13 MAY 2008
MINISTRY OF FOREIGN AFFAIRS
김 수 광
PSPRKKIM<<SOUKWANG<<<<<<<<<<<<<<<<<<<<<<<<<<<<
9182203692PRK7608184M1305137<<<<<<<<<<<<<<<6



1 [redacted]

2. LAISSEZ-PASSER

3. Type/ Type: PL

4. Code of issuing Organization/ Code de l'Organisation émettrice: [redacted]

5. Laissez-Passer No./ No de Laissez-Passer: A563652

6. Surname / Nom: KIM

7. Given names / Prénoms: SOUKWANG

8. Official of / Fonctionnaire de: [redacted]

9. Date of birth / Date de naissance: 18 AUG /AOUT 1978

10. [redacted]

11. Sex / Sexe: M

12. [redacted]

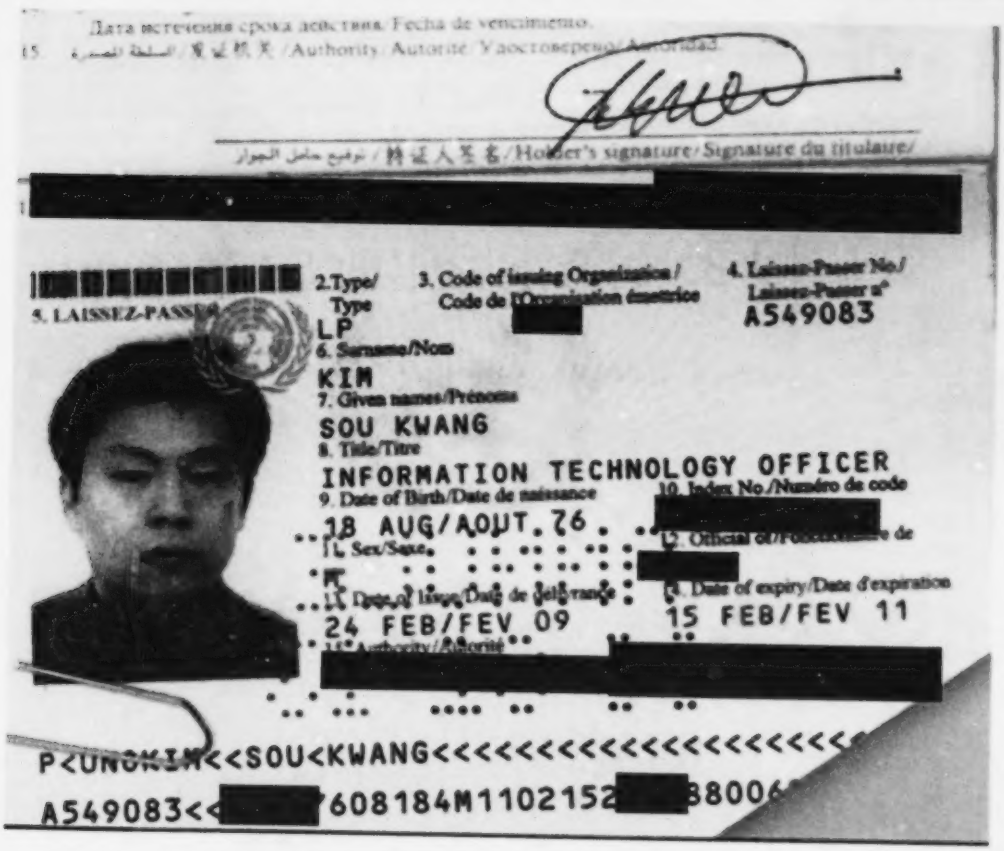
14. Date of issue / Date de délivrance: 06 FEB /FEV 2013

15. Authority / Autorité: [redacted]

16. Date of expiry / Date d'expiration: 06 FEB /FEV 2018

PLUNOKIM<<SOUKWANG<<<<<<<<<<<<<<<<<<<<<<<<<<<<

A563652<<[redacted]7608184M1802061<<<<<<<<<<<<<<00



Дата истечения срока действия. Fecha de vencimiento.

15. السلطة المصدرة / 发证机关 /Authority. Autorité. Уполномоченный. Autoridad.

توقيع حامل الجواز / 持证人签名 /Holder's signature/ Signature du titulaire/

[redacted]

2.Type/ Type: LP

3. Code of issuing Organization / Code de l'Organisation émettrice: [redacted]

4. Laissez-Passer No./ Laissez-Passer n°: A549083

5. LAISSEZ-PASSER

6. Surname/Nom: KIM

7. Given names/Prénoms: SOU KWANG

8. Title/Titre: INFORMATION TECHNOLOGY OFFICER

9. Date of Birth/Date de naissance: 18 AUG/AOUT 76

10. Index No./Numéro de code: [redacted]

11. Sex/Sexe: F

12. Official of/Fonctionnaire de: [redacted]

13. Date of issue/Date de délivrance: 24 FEB/FEV 09

14. Date of expiry/Date d'expiration: 15 FEB/FEV 11

15. Authority/Autorité: [redacted]

P<UNOKIM<<SOU<KWANG<<<<<<<<<<<<<<<<<<<<<<<<

A549083<<[redacted]7608184M1102152[redacted]38006

Annex 13 Copies of Ministry of Foreign Affairs Identity Cards for Mr. Kim Sou Kwang, his wife and children

084727/ 86175 REPUBBLICA ITALIANA

MINISTERO DEGLI AFFARI ESTERI

ORG. INT.LI. O MISSIONI EST.SPEC.LI

CARTA D'IDENTITA'

Sig: Sou Kwang
Kim

nato il 18/08/1976

a Pyongyang

Nazionalità Rep.Dem.P.Corea

Qualifica Consulente

Org. Int.le [redacted]

a Roma

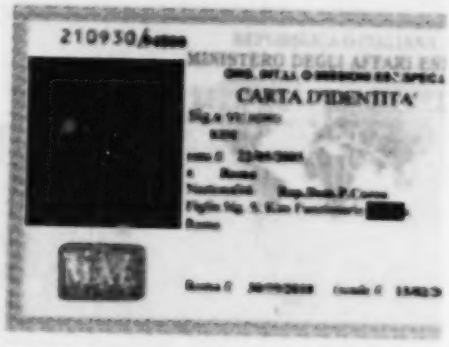
Roma il 13/10/2003 (scade il 30/03/2004)

210929/ REPUBBLICA ITALIANA

MINISTERO DEGLI AFFARI ESTERI

CARTA D'IDENTITA'

MAE

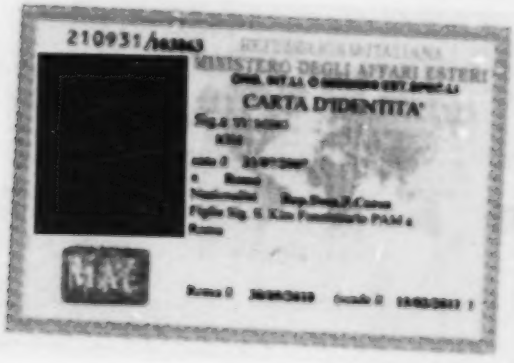


210930/ REPUBBLICA ITALIANA

MINISTERO DEGLI AFFARI ESTERI

CARTA D'IDENTITA'

MAE



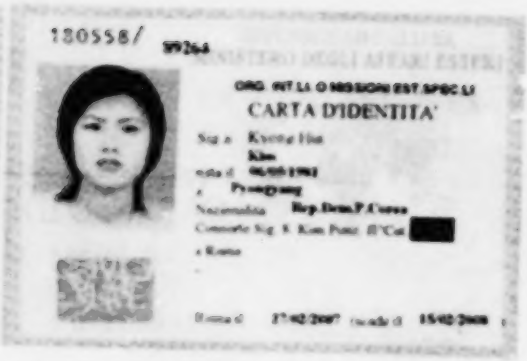
210931/ REPUBBLICA ITALIANA

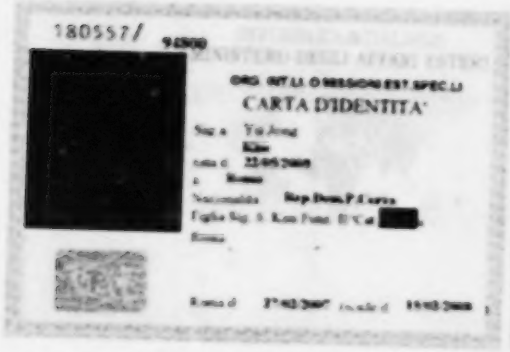
MINISTERO DEGLI AFFARI ESTERI

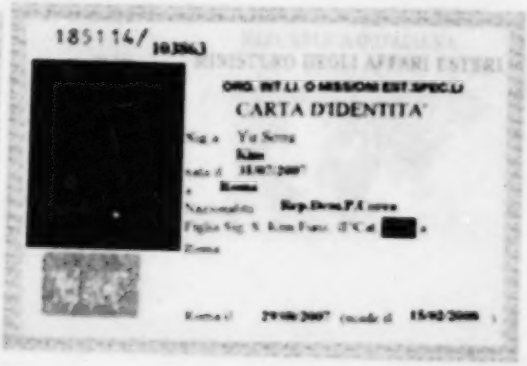
CARTA D'IDENTITA'

MAE

180555/ 86175
ORG. INT.LI O MISSIONI EST.SPEC.
CARTA IDENTITA

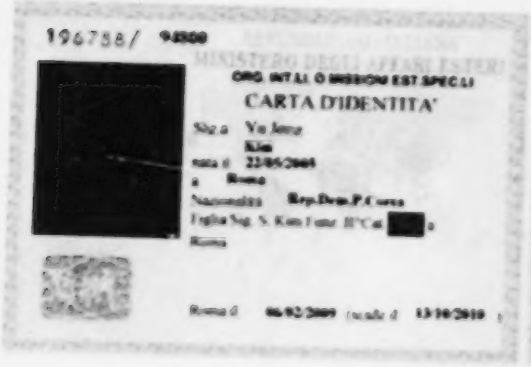

180558/ 99264
ORG. INT.LI O MISSIONI EST.SPEC.LI
CARTA D'IDENTITA'


180557/ 94500
ORG. INT.LI O MISSIONI EST.SPEC.LI
CARTA D'IDENTITA'


185114/ 103563
ORG. INT.LI O MISSIONI EST.SPEC.LI
CARTA D'IDENTITA'

196786/ 86175
ORG. INT.LI O MISSIONI EST.SPEC.
CARTA IDENTITA

196787/ 99264
ORG. INT.LI O MISSIONI EST.SPEC.LI
CARTA D'IDENTITA'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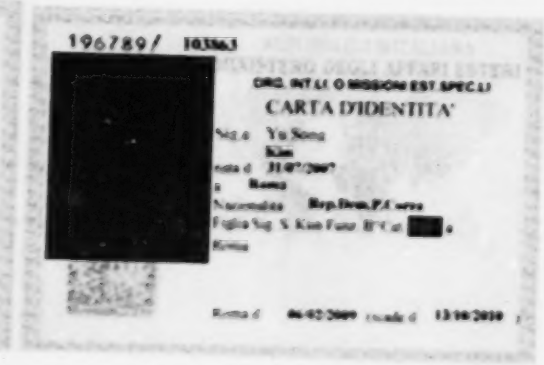
ORG. INT.LI O MISSIONI EST.SPEC.LI
CARTA D'IDENTITA'


196789/ 103563
ORG. INT.LI O MISSIONI EST.SPEC.LI
CARTA D'IDENTITA'

Annex 14 : Attestation of Kim Sou Kwang's residence in Rome by his employer

[redacted]

DICHIARAZIONE

Su analoga richiesta documentata, si attesta che il

Signor: Sou Kwang Kim
di nazionalità: Rep.Dem. P. Corea
nato a: Pyongyang, Rep.Dem. P. Corea
il: 18/08/1976
titolare del passaporto no.: 918220396
valido sino al: 13/05/2018
rilasciato da: DPR of Korea
il: 13/05/2013
domiciliato a Roma, in: Via Muraglia n. 84, 00144 Roma - Italia
residente all'estero in:

[redacted]

Il suddetto è titolare della speciale Carta d'Identità No. 230592/86175 rilasciata dal servizio del Cerimoniale del Ministero degli Affari Esteri in data 17/01/2013 e valida fino al 17/01/2015.

La presente dichiarazione vale per tutti gli usi consentiti dalla legge, in sostituzione del certificato di residenza.

[redacted]

Roma, li 08.04.2014

Annex 15 : Information from Singapore company on how it accepts payment from Glocom

[redacted] 1. [redacted] is a tradin... 28/11/2016 03:50:58 AM

From: [redacted]
To: [redacted]
Cc: [redacted]
Date: 28/11/2016 03:50 AM
Subject: Inquiry from the Panel of Experts on the DPRK

1. [redacted]

2. Local companies which have business dealings in DPRK usually employ DPRK nationals to deal with their counterparts in DPRK. Mr Mun Chol Myong, holding DPRK Passport No. 290431308 (new No: 654234421), has been under our employ as Business Development Manager since 19 November 2012. His main responsibilities are to source for business in DPRK and ensure that payments are made to the company.

3. From our experience, DPRK companies are known to be poor paymasters. In order to protect our company's monetary interests, we require Mr Mun to deposit with us a sum of US$100,000 as a form of guarantee. Our company would deduct from the deposit any payment shortfall in respect of business deals that Mr Mun handled.

See: Annex A – Employment Agreement dated 19/11/12

4. Our company does not have any business dealings with Global Communications Co. (Glocom), International Golden Services Sdn Bhd, International Global Systems Sdn Bhd or Pan Systems (S) Pte Ltd. In fact, prior to receiving your email, we have never heard of any such companies.

5. We did not receive any transfer of funds direct from [redacted] Bank. However based on the dates of the transfers stated in your email, we believe the following remittances which we received from [redacted] may be relevant to these transfers:

[redacted]

Transfers remitted by front companies on behalf of GLOCOM

Source: The Panel

Annex 16 : Glocom's new website established in January 2017

Source: www.glocom-corp.com

Annex 17 : Information about Glocom from its website

Global Communications Co. (Glocom) was established in 1996. Glocom is a technology-oriented company who is professional for R&D, manufacture the whole series of radios and communication equipments, navigation equipments, Battle Management System(BMS), Command & Control System (C2S) and other customized equipment for military and para-military organizations, secret service and security organizations and specially authorized civilian organizations at home and abroad.

Currently Glocom provides customers with hi-tech voice and data communication equipment, navigation equipment, IFF interrogators/transponders, air-traffic control equipment and reconnaissance receivers for soldier, mobile and stationary. Also Glocom supports the customized system like Ultra-High Speed Parallel Processors(UHSPP) which is essential tools for Decrytion, DNA analysis and Weather broadcast and Encryption Development Kits(EDK) for encryption algorithm development and test. The Battle Management Software(BMS) as well as complete sets of integrated systems such as a Integrated Tactical Command & Control System(ITCCS) is also main products from Glocom.

In 1997 Glocom developed GR-200 (at that time PDS-200) VHF ECCM radio that could be used for Anti-Aircraft Early Warning System(AEWS), and began its serial production the next year. Since then Glocom has focused on developing various kinds of HF, VHF and UHF radio communication equipment, which play a pivotal role in C4ISR systems, as well as integrating various systems as required by customers.

Recently, GR-510 video transmission & control systems for UAV/USV have been delivered into some customers. Our engineers have deleloped the video compression technology, DS-SS communication technology for this system.
Many countries defines the role of soldier in battlefield newly, announce the development plans and accelerate the realization of this plan. Glocom has annouced GR-610 Encryped Handheld Walkie-Talkie which can be used in police or other security organization. Also GR-611 Secure Personal Radio (SPR) for soldier in battlefield has been developed, and this model is favorably commented upon end users in local and aboard.

So far Glocom has supplied over 20,000 sets of radio communication equipment for customers at home and abroad.

At the same time Glocom has been developing a variety of applications software such as an Integrated Tactical Data System (ITDS), a Wireless Gateway System (WGS), and an Integrated Tactical Command & Control System (ITCCS), with a view to creating a new Battle Management System (BMS). It has also making active efforts to develop customized C4ISR systems for individual soldiers, mobile, airbornes, shipbornes, and stationary. Glocom's engineers have developed digital map system which was adapted into Real-time Target Management System (RTMS).

Glocom's Integrated Tactical Command & Control System and Early Warning System for airforce and antin-airforce are hi-technology intensive system, so we are concentrating on it with main investments.
At the same time, we force on development of mobile system for battlefield management system, which are excellent for survivality and mobility. These systems include the reconnaissanse intelligence receiver system, radio system,

power supply system and others. The requirements from market is very high nowadays.

By actively promoting the transfer of technology, Glocom has exported to some countries whole manufacturing plants, which are now turning out products with the same quality as those produced in the home country.

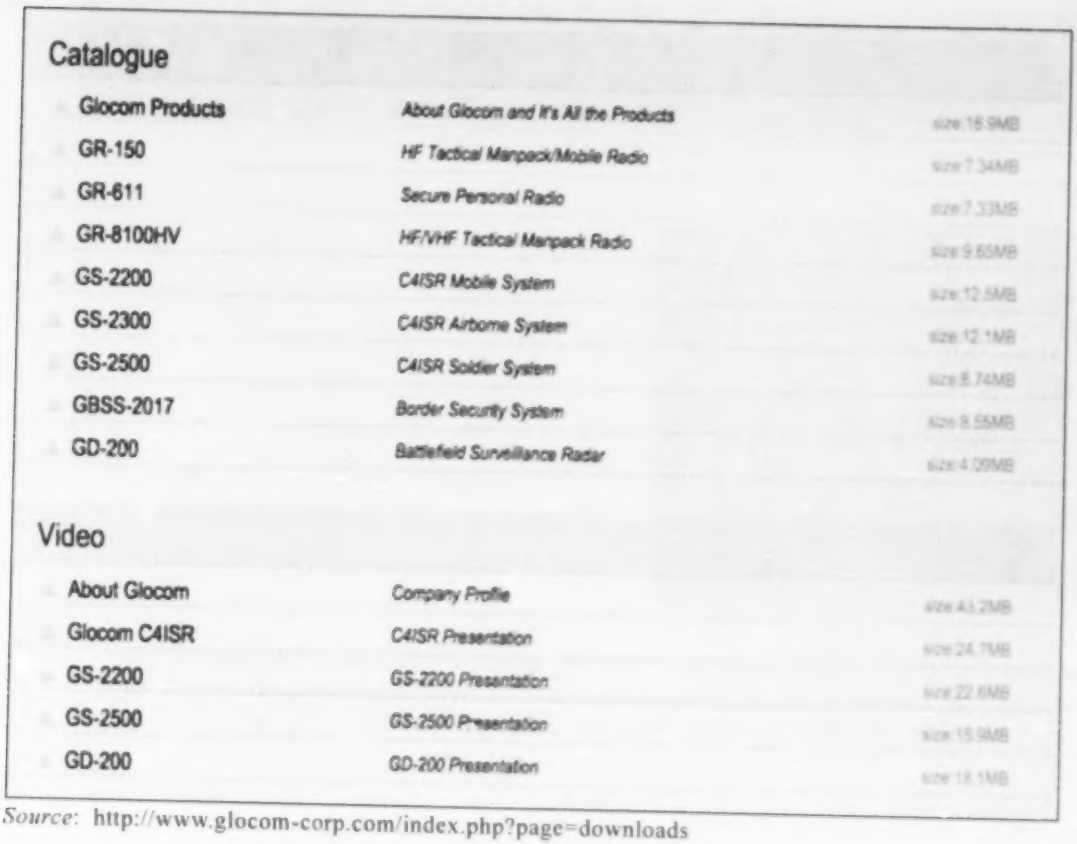
Recently Glocom has stepped up efforts to improve the quality of it after-sales service.

Source: http://www.glocom-corp.com/index.php?page=about

Annex 18 : Glocom products for sale

Source: http://www.glocom-corp.com/index.php?page=products

Annex 19 : Glocom product catalogues and videos for download



Catalogue

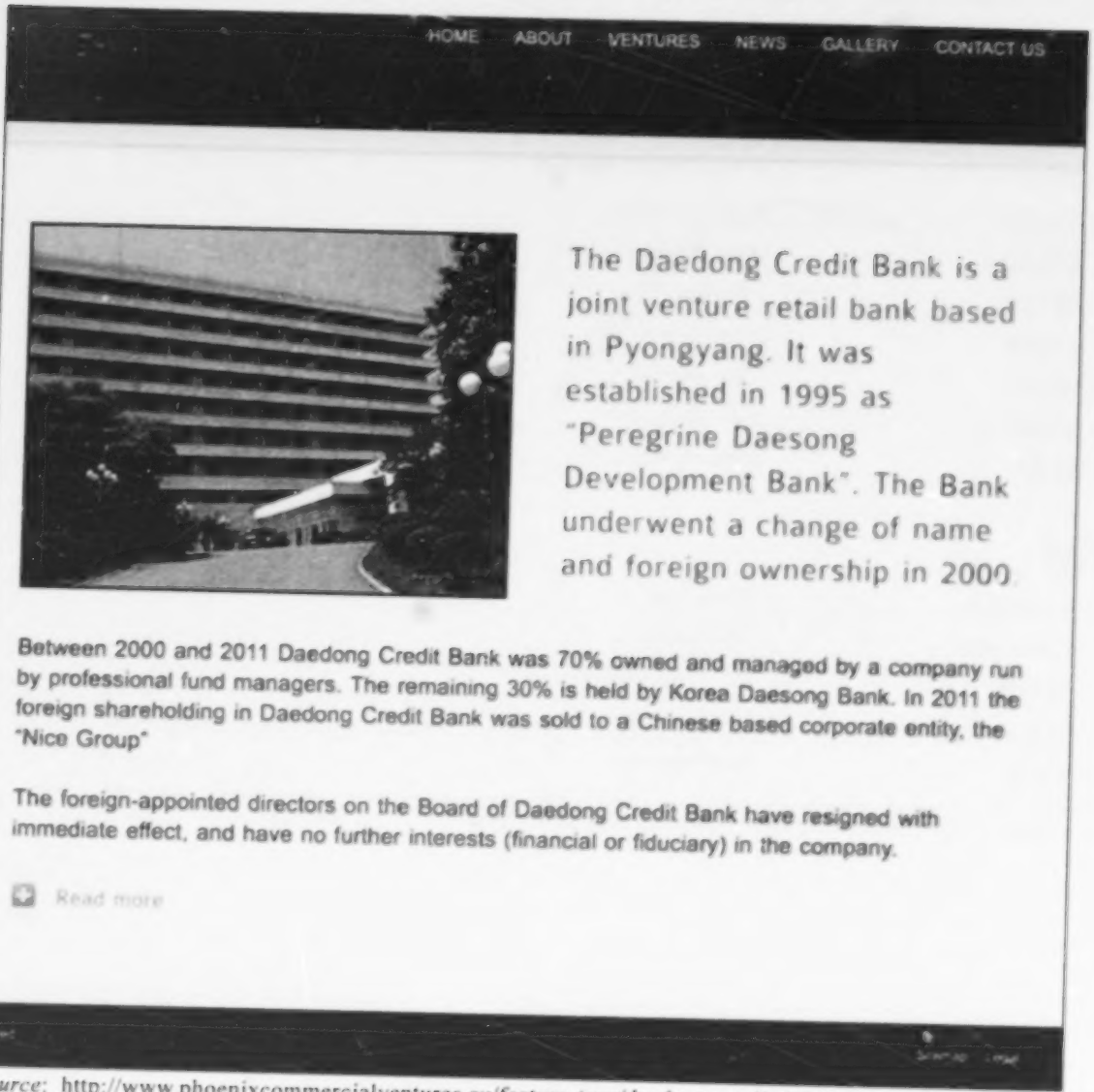
Glocom Products	About Glocom and It's All the Products	size:18.9MB
GR-150	HF Tactical Manpack/Mobile Radio	size:7.34MB
GR-611	Secure Personal Radio	size:7.33MB
GR-8100HV	HF/VHF Tactical Manpack Radio	size:9.65MB
GS-2200	C4ISR Mobile System	size:12.5MB
GS-2300	C4ISR Airborne System	size:12.1MB
GS-2500	C4ISR Soldier System	size:8.74MB
GBSS-2017	Border Security System	size:8.55MB
GD-200	Battlefield Surveillance Radar	size:4.09MB

Video

About Glocom	Company Profile	size:43.2MB
Glocom C4ISR	C4ISR Presentation	size:24.7MB
GS-2200	GS-2200 Presentation	size:22.6MB
GS-2500	GS-2500 Presentation	size:15.9MB
GD-200	GD-200 Presentation	size:18.1MB

Source: http://www.glocom-corp.com/index.php?page=downloads

Annex 20 : DCB website announcing sale to Chinese-based corporate entity


HOME
ABOUT
VENTURES
NEWS
GALLERY
CONTACT US
The Daedong Credit Bank is a joint venture retail bank based in Pyongyang. It was established in 1995 as "Peregrine Daesong Development Bank". The Bank underwent a change of name and foreign ownership in 2000.
Between 2000 and 2011 Daedong Credit Bank was 70% owned and managed by a company run by professional fund managers. The remaining 30% is held by Korea Daesong Bank. In 2011 the foreign shareholding in Daedong Credit Bank was sold to a Chinese based corporate entity, the "Nice Group"
The foreign-appointed directors on the Board of Daedong Credit Bank have resigned with immediate effect, and have no further interests (financial or fiduciary) in the company.
Read more

Source: http://www.phoenixcommercialventures.eu/feature-tour/daedong-credit-bank/

Annex 21 : Information on sale of DCB to Chinese "Nice Group"

The Daedong 'Credit Bank is a joint venture retail bank based in Pyongyang. It was established in 1995 as "Peregreine Daesong Development Bank". The Bank underwent a change of name and foreign ownership in 2000.

Between 2000 and 2011 Daedong Credit Bank was 70% owned and managed by a company run by professional fund managers. The remaining 30% is held by Korea Daesong Bank. In 2011 the foreign shareholding in Daedong Credit Bank was sold to a Chinese based corporate entity, the "Nice Group".

The foreign-appointed directors on the Board of Daedong Credit Bank have resigned with immediate effect, and have no further interests (financial or fiduciary) in the company.

The Daedong Credit Bank is the first, by ten years, foreign majority held bank in the DPRK.
The bank's principal function is to offer normal "high street" banking facilities in hard currency to: foreign companies, joint ventures, international relief agencies and individuals doing business in the DPRK. The permitted activities of the bank are:
- Foreign currency deposits
- Foreign currency lending
- Settlement of export/import proceeds
- Guarantees
- Trusts
- Foreign exchange
- Credit analysis and consulting
- Foreign currency remittance
- Trading of foreign marketable securities
- Credit cards
- All other services customarily provided by banks operating in international finance centres

The General Manager and CEO of Daedong Credit Bank was Nigel Cowie, a director of Phoenix Commercial Ventures Ltd. Nigel Cowie is one of only a small handful of Western businessmen working in the DPRK with full residence status. The bank was the only bank in the DPRK with an expatriate manager.

The prime role of the bank is to promote commercial activity by foreign investors in the DPRK; as such the bank's main customers consist mainly of foreign companies, including those with representative offices in the DPRK, and joint ventures. Daedong Credit Bank is proud to count Phoenix Commercial Ventures Ltd, Hana Electronics and Sinji Software amongst its customers.
The key strengths of the bank can be summarised as follows:

- The Daedong Credit Bank has an extremely good reputation in the DPRK, and is the largest of the three foreign invested joint venture banks. It is also the most liquid of any of the banks in the DPRK
- The Daedong Credit Bank is well known for providing the fastest remittance service of any of the banks. The
- Daedong Credit Bank has Phoenix Commercial Ventures Ltd as one of its customers
- The Daedong Credit Bank has pioneered the successful introduction of electronic banking, and is a member and user of SWIFT

- The bank has a proven track record of service over its ten years of operation, and complies with full international audit standards
- The local staff are English speaking, and fully trained in banking operations
- The local staff have an invaluable knowledge, and hands on experience, of local joint venture procedures, regulations and local ministries
- The bank is profitable and solvent

The bank has a significantly strong position; in relation to the future economic development of the DPRK, and it is the oldest established foreign invested commercial bank in the DPRK. It is the intention of the bank to capitalise on these advantages. The wealth of experience garnered over the Daedong Credit Bank's 15 years of successful operation is unrivalled.
Daedong Credit Bank is proud to be the first bank operating the DPRK to announce that it has a detailed set of written procedures against money laundering. To learn more, please visit Daedong Anti Money Laundering Policy.

The Daedong Credit Bank address is:
Daedong Credit Bank 401,
Potonggang Hotel Ansan-dong Pyongchon District
Pyongyang DPRK

Source: http://www.phoenixcommercialventures.eu/feature-tour/daedong-credit-bank/

Annex 22 : Statement of Board of Directors of Daedong Credit Bank on 26 August 2011 regarding sale to Chinese "Nice Group"

The Board of Daedong Credit Bank is pleased to announce that the foreign shareholding in Daedong Credit Bank has been sold to a Chinese based corporate entity, the "Nice Group".

The foreign-appointed directors on the Board of Daedong Credit Bank have resigned with immediate effect, and have no further interests (financial or fiduciary) in the company.

About Daedong Credit Bank

Daedong Credit Bank is a joint venture retail bank based in Pyongyang. It was established in 1995 as "Peregrine Daesong Development Bank". The Bank underwent a change of name and foreign ownership in 2000.

The wealth of experience garnered over Daedong Credit Bank's 16 years of successful operation is unrivalled.

Daedong Credit Bank was the first, by fifteen years, foreign majority held bank in the DPRK. DCB is proud to be regarded as a flagship successful joint venture in the DPRK, and a key part of the infrastructure needed to assist the foreign-invested joint ventures, which contribute to the country's economic development.

The bank's principal function is to offer normal "high street" banking facilities in hard currency to foreign companies, joint ventures, international relief agencies and individuals doing legitimate business in the DPRK.

Daedong Credit Bank was the first bank in the DPRK to introduce, and vigorously implement, a comprehensive set of anti-money laundering procedures. DCB's anti-money laundering procedure manual was introduced eight years ago, and subsequently updated based on anti-money laundering guidelines provided by the Asian Development Bank. The manual has been sent to, and accepted by, DCB's international correspondent banks.

Daedong Credit Bank also maintains strict procedures for the detection and rejection of counterfeit bank notes; it uses regularly updated note checking machines, and has personnel with over 15 years of experience of handling notes.

Daedong Credit Bank is strongly positioned in relation to the future economic development of the DPRK, and, being the oldest established foreign invested commercial bank in the DPRK, it is the intention of the bank to capitalise on these advantages.

CONTACT INFORMATION

Daedong Credit Bank office address in Pyongyang is:
Daedong Credit Bank
Suite 401, Potonggang Hotel
Ansan-dong
Pyongchon District
Pyongyang
Democratic People's Republic of Korea
http://www.daedongcreditbank.com

Source: http://www.phoenixcommercialventures.eu/foreign-shareholding-in-daedong-credit-bank-

Annex 23 : Foreign ownership history of Daedong Credit Bank

December 1995 DCB was established as a Joint Venture between Peregrine DPRK Holdings Ltd (a BVI company) and the DPRK Korea Daesong Bank. Korea Daesong Bank owns 30% and Peregrine 70%. Peregrine goes bankrupt in January 1998.

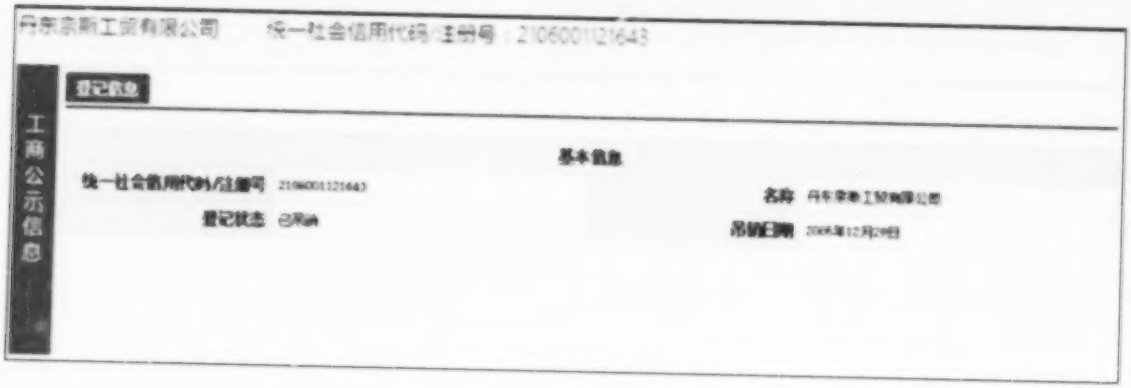
2000 Peregrine's liquidator sells the foreign shares in the bank to Oriental Commerical Holdings (BVI). Korea Daesong Bank owns 30% and Oriental Commercial Holdings 70%.

July 2011 Sale through an agreement transferring the rights and obligations under the original Joint Venture agreement from Peregrine DPRK Holdings Ltd to Nice Group, under an agreement signed by Oriental Commercial Holdings Ltd, and Li Zhengang李振刚 for Dandong Nice Chemicals Co., Ltd, and countersigned by the president of Korea Daesong Bank, on 14 July 2011.

Annex 24 : Information on Dandong Nice Chemicals Co., Ltd 丹东奈斯化工有限公司

Information on this company has been removed from the official Chinese national business registry because the company registration has been revoked.

- Registration Number: 2106001121643
- Contact Persons:
  - Li Shengda李胜达
  - Liu Chuan 刘船[52]
- Phone Number: 0415-5560229[53]
- Address: Outside the East Gate, Kuandian Town, Kuandian Manchu Autonomous County, Dandong City, Liaoning Province 宽甸满族自治县 宽甸镇东门外[54]
- Main Business: Chemical additives production and sale, chemical product sales[55]


丹东奈斯工贸有限公司 统一社会信用代码/注册号：2106001121643

工商公示信息

登记信息

基本信息

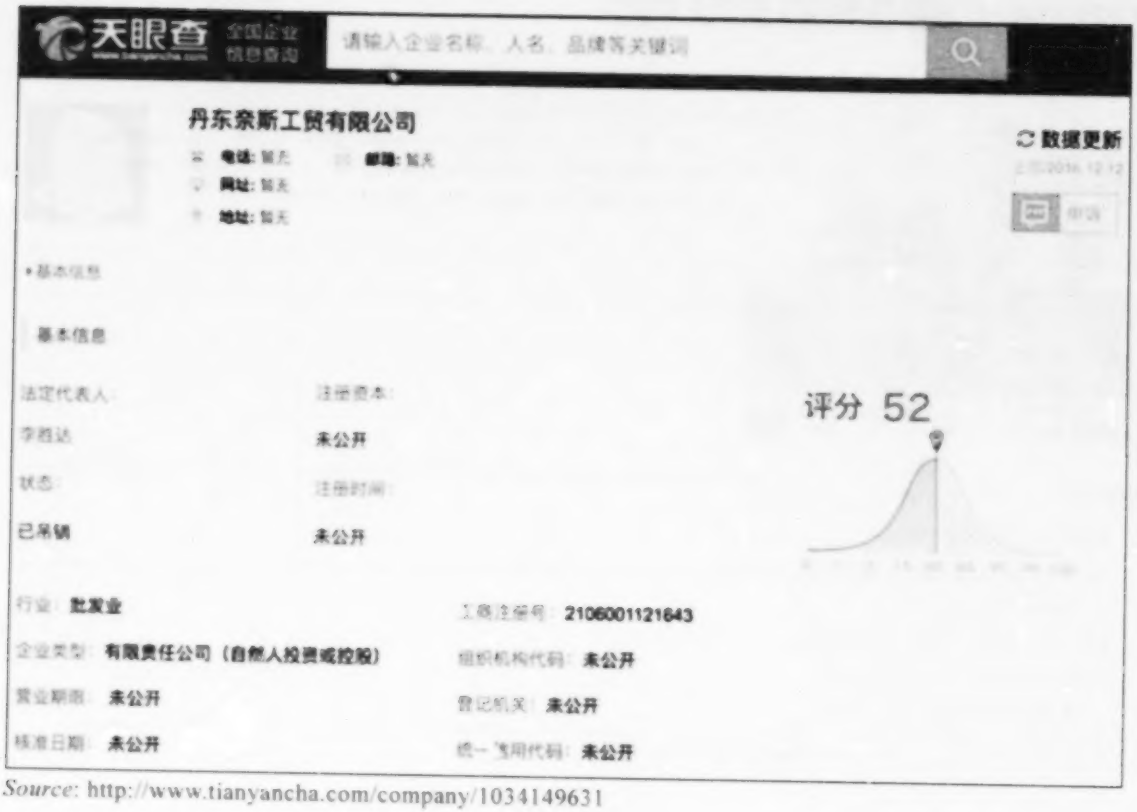
统一社会信用代码/注册号 2106001121643

名称 丹东奈斯工贸有限公司

登记状态 已吊销

吊销日期 2005年12月29日

[52] http://m.71p.net/c5566983.html.
[53] http://www.atobo.com.cn/Companys/164/rjro4.html.
[54] http://m.71p.net/c5566983.html.
[55] http://www.atobo.com.cn/Companys/164/rjro4.html.



Source: http://www.tianyancha.com/company/1034149631

丹东奈斯化工有限公司

公司简介

丹东奈斯化工有限公司位于宽甸县宽甸镇东门外交通便利，丹东奈斯化工有限公司本着广泛产品……成功专上门服务，欢迎国内外企业公司机构与本单位建立长期的合作关系，公司拥有……主要销售技术研发以及……和国内事业机构强强联手，热诚欢迎各界朋友前来参观、考察、洽谈业务，丹东奈斯化工有限公司主营：化学助剂生产销售，化工产品销售，争创达成迎新老客户来电来商。

公司联系方式

公司名称：丹东奈斯化工有限公司

地址：辽宁-丹东-宽甸 宽甸县宽甸镇东门外

邮编：118200

所在行业：化工

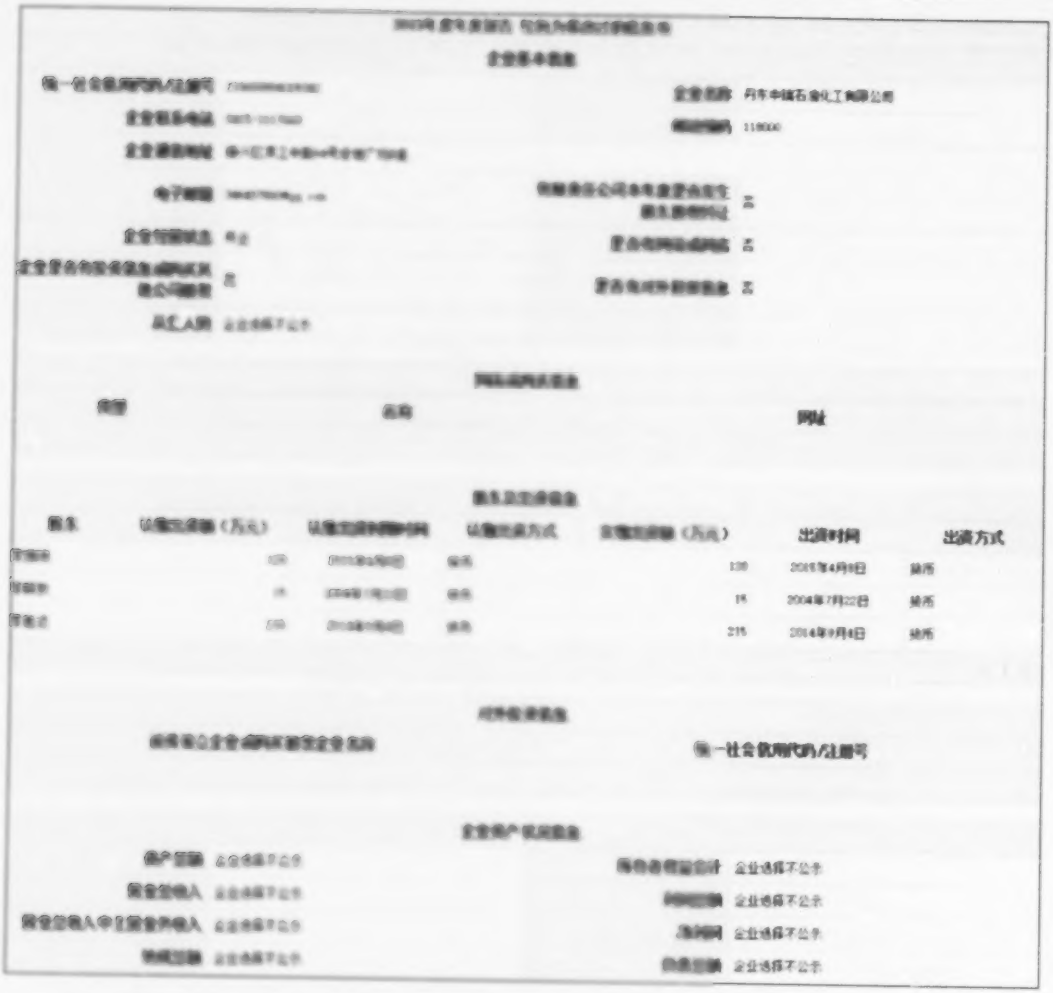
联系人：李胜远

电话：0415-5566229

Source: http://www.tianyancha.com/company/1034149631

Source: http://www.atobo.com.cn/Companys/164/rjro4.html

Annex 25 : Dandong Zhongrui Petrochemical Co., Ltd丹东中瑞石油化工有限公司 (Dandong Sino-Swiss Petrochemical Co., Ltd or Dandong Sinorich Petrochemical Company) Registration



2023年 度年度报告 可执行信息公示报告

企业基本信息

统一社会信用代码/注册号

企业名称 丹东中城石化工有限公司

企业联系电话

邮政编码 118000

企业通信地址

电子邮箱

有限责任公司本年度是否出现变更股东信息

是

企业经营状态 存续

是否有网站或网店

否

企业是否有投资信息或发起设立其他公司信息

否

是否有对外担保信息

否

从业人数 企业选择不公开

网站或网店信息

类型 名称 网址

服务及定价信息

服务	认缴出资额（万元）	认缴出资时间	认缴出资方式	实缴出资额（万元）	出资时间	出资方式
存续	120	2015年4月9日	货币			
存续	15	2004年7月22日	货币	15	2004年7月22日	货币
存续	215	2014年9月4日	货币	215	2014年9月4日	货币

对外投资信息

统一社会信用代码/注册号

企业资产状况信息

资产总额 企业选择不公开

所有者权益合计 企业选择不公开

营业总收入 企业选择不公开

利润总额 企业选择不公开

营业总收入中主营业务收入 企业选择不公开

净利润 企业选择不公开

纳税总额 企业选择不公开

负债总额 企业选择不公开

Information on Dandong Zhongrui Petrochemical Co., Ltd丹东中瑞石油化工有限公司 (Dandong Sino-Swiss Petrochemical Co., Ltd or Dandong Sinorich Petrochemical Company) Registration

Li Shengda李胜达and Li Zhengang李振刚 are both shareholders of this company.

Company description: Dandong Sino-Swiss Petrochemical Co., Ltd. is located in Dandong City, Liaoning Province, with the beautiful scenery of the Yalu River, and the Democratic People's Republic Korea's Sinuju City just across the River. Our company is a professional import and export company, and is committed to a variety of chemical products, plastic raw materials, metal mineral products, machinery and equipment, etc. .. Our products have reliable quality, reasonable prices and high quality services. We have won the recognition of our customers at home and abroad. Our company has the permits to package and export hazardous materials and also has the approval of the Ministry of Commerce to export toluene, acetone, and other chemicals to North Korea. (See website below).

The company is currently in operation according to the Chinese national business registry.

- Registration Numbers:
  - 91210600761849420K
  - 210600004028342
- Legal Representative: Li Xiaomu 李晓牧
- Contact Person: Ms. Wang Wei 王巍 (Administrative Assistant)[56]
- Phone Numbers:
  - 0415-3117669
  - 0415-2309977[57]
  - 13704250807[58]
  - +86 864153172977[59]
- Fax Numbers:
  - 0415-2309955[60]
  - 0415-2309966[61]
- Email Address: 346487860@qq.com
- Addresses:
  - No. 64 Riverside Middle Road, 2003 Jiadi Plaza 滨江中路64号佳地广场2003号
  - Jiadi Plaza Building B, No. 64 Riverside Middle Road, Zhenxing District 振兴区滨江中路64号佳地广场B座
  - RM2003, JIADI BIDG, NO。64, BINJIANG ROAD, DANDONG, CHINA
- Registered Capital: 3.5 Million Yuan
- Key Personnel:
  - Li Shengda 李胜达 – Supervisor
  - Li Xiaomu 李晓牧 – Executive director
- Shareholders:
  - Li Shengda 李胜达 – 2.15 Million Yuan
  - Li Xiaomu 李晓牧 – 150,000 Yuan
  - Li Zhengang 李振刚 – 1.2 Million Yuan

[56] http://www.huquan.net/detail/2082461.html.
[57] http://www.lndhy.com/qiye/qiye6256.html.
[58] http://www.lndhy.com/qiye/qiye6256.html.
[59] https://panjiva.com/Dandong-Sinorich-Petrochemical-Co-Ltd/15526761.
[60] http://www.lndhy.com/qiye/qiye6256.html.
[61] http://www.lndhy.com/qiye/qiye6256.html.

Annex 26 : Yueda International official documents

CR
公司註冊處
Companies Registry

周年申報表
Annual Return

表格 Form **NAR1**

公司編號 Company Number
801777

1 公司名稱 Company Name

YUEDA INTERNATIONAL TRADING CO., LIMITED
悅達國際貿易有限公司

2 商業名稱(如有的話) Business Name (if any)

(Nil)

3 公司類別 Type of Company
請在適用的空格內加上 ✓ 號 Please tick the relevant box

☑ 私人公司 Private company ☐ 公眾公司 Public company ☐ 擔保有限公司 Company limited by guarantee

4 本申報表的結算日期
Date to which this Return is Made Up

12	06	2016
日 DD	月 MM	年 YYYY

(如屬私人公司，本申報表應列載截至公司成立為法團的周年日期的資料。
如屬公眾公司，申報表的結算日期應為該公司的會計參照期結束後的 6 個月屆滿之日。
如屬擔保有限公司，申報表的結算日期應為該公司的會計參照期結束後的 9 個月屆滿之日。

For a private company, the information on this return should be made up to the anniversary of the date of its incorporation.
For a public company, the return should be made up to the date that is 6 months after the end of its accounting reference period.
For a company limited by guarantee, the return should be made up to the date that is 9 months after the end of its accounting reference period.)

5 隨本表格交付的財務報表所涵蓋的會計期
Period Covered by Financial Statements Delivered with this Form
(私人公司無須填寫此段 A private company need not complete this section)

	N/A		至 To			
日 DD	月 MM	年 YYYY		日 DD	月 MM	年 YYYY

6 註冊辦事處地址 Address of Registered Office

7/F KIN ON COMMERCIAL BLDG, 49-51 JERVOIS STREET, SHEUNG WAN, HONG KONG

提交人資料 Presentor's Reference
姓名 Name: SMART REGISTRATIONS LIMITED
地址 Address: 7/F KIN ON COMMERCIAL BUILDING
49-51 JERVOIS STREET
SHEUNG WAN
HONG KONG
電話 Tel: 25458556 傳真 Fax: 35719160
電郵 Email:

請勿填寫本欄 For Official Use

表格 Form **NAR1**

公司編號 Company Number: 801777

12 董事 Directors

A. 董事 (自然人) Director (Natural Person)

(如超過一名附表屬自然人，須填寫 B 續頁 Use Continuation Sheet B if more than 1 director is a natural person)

請在適用的空格內加上 ✓ 號 Please tick the relevant box(es)

身分 Capacity	☑ 董事 Director	☐ 候補董事 Alternate Director
代替 Alternate to	(Nil)	

中文姓名 Name in Chinese		李振剛
英文姓名 Name in English	姓氏 Surname	LI
	名字 Other Names	ZHENGANG
前用姓名 Previous Names	中文 Chinese	(Nil)
	英文 English	(Nil)
別名 Alias	中文 Chinese	(Nil)
	英文 English	(Nil)
住址 Residential Address		No. 83, Jiang Yan Street, Zhen Xin District, Dandong, Liaoning Province, China.
國家／地區 Country／Region		CHINA
電郵地址 Email Address		(Nil)
身分證明 Identification		CHINESE I.D. 210603197010020033
(a) 香港身分證號碼 Hong Kong Identity Card Number		(Nil)
(b) 護照 Passport	發出國家 Issuing Country	(Nil)
	號碼 Number	(Nil)

表格 Form **NAR1**

公司編號 Company Number: 801777

13 有股本公司的成員詳情 Particulars of Member(s) of a Company Having a Share Capital

(有股本的公司必須填寫此項 Company having a share capital must complete this section)

請在適用的空格內加上 ✓ 號 Please tick the relevant box

☑ 非上市公司的成員詳情列於附表一
Particulars of members of a non-listed company are listed in Schedule 1

☐ 上市公司的成員詳情列於附表二
Particulars of members of a listed company are listed in Schedule 2

14 公司紀錄 Company Records

(如空位不足，請用續頁 D 填報 Use Continuation Sheet D if the space provided is insufficient)

公司保存下列紀錄的地址(如並非保存於第 6 項所述的註冊辦事處內)
Address where the following company records are kept (if not kept at the registered office stated in Section 6)

公司紀錄 Company Records	地址 Address
N/A	

15 陳述書 Statement

(如屬私人公司，請在空格內加上 ✓ 號以作出此項陳述 For a private company, please tick the box to make the Statement)

☑ 現述明公司自最近一份周年申報表的結算日期起(如屬首份周年申報表，則自公司成立為法團的日期起)，並沒有發出邀請，以邀請公眾人士認購公司的任何股份或債權證；同時如成員人數於本申報表的結算日期當日超過五十名，則超出五十名之數的成員，全屬根據《公司條例》第11(2)條於計算公司成員人數時不包括在內的人。
The company has not, since the date of the last annual return (or since the date of incorporation in the case of the first annual return), issued any invitation to the public to subscribe for any shares or debentures of the company and that if the number of members of the company exceeds 50 as at the date of this return, the excess consists wholly of persons who, under section 11(2) of the Companies Ordinance, are excluded in the calculation of the number of members of the company.

提示 Advisory Note

所有公司董事均獲提醒公司註冊處備有的《董事責任指引》，並熟悉該指引所概述的董事一般責任。
All directors of the company are advised to read 'A Guide on Directors' Duties' published by the Companies Registry and acquaint themselves with the general duties of directors outlined in the Guide.

本申報表包括下列續頁 This Return includes the following Continuation Sheet(s)

續頁 Continuation Sheet(s)	A	B	C	D
頁數 Number of pages	0	1	0	0

For and on behalf of
SMART REGISTRATIONS LIMITED

簽署 Signed : ..... *Authorised Signature(s)*

姓名 Name : SMART REGISTRATIONS LIMITED 日期 Date : 12/06/2016
日 DD / 月 MM / 年 YYYY

~~董事 Director~~／公司秘書 Company Secretary *

**請刪去不適用者 Delete whichever does not apply*

表格 Form **NAR1**

附表一 Schedule 1
(非上市公司適用 FOR NON-LISTED COMPANY)

本申報表的結算日期
Date to which this Return is Made Up

12	06	2016
日 DD	月 MM	年 YYYY

公司編號 Company Number: 801777

非上市公司的成員詳情 (第 13 項)
Particulars of Member(s) of a Non-listed Company (Section 13)

(有股本的非上市公司必須填寫此頁，如空位不足，或超過一類股份，可另加附表一。)
(Non-listed company having a share capital must complete this page. If the space provided is insufficient, or if there is more than one class of shares, please use additional Schedule 1.)

截至本申報表的結算日期的成員詳情 Particulars of Member(s) as at the Date to which this Return is Made Up

股份類別 Class of Shares: Ordinary

此類別股份的已發行總數 Total Number of Issued Shares in this Class: 100,000

姓名／名稱 Name	地址 Address	股份 Shares			備註 Remarks
		現時持有量 Current Holding	轉讓* Transferred *		
			數目 Number	日期 Date	
李振剛 LI ZHENGANG	No. 83, Jiang Yan Street, Zhen Xin District, Dandong, Liaoning Province, China	70,000			
李勝達 LI SHENGDA	No. 36-109, Jiang Yan Street, Zhen XinDistrict, Dandong, Liaoning Province, China.	30,000			

* 如公司的股份自上一份周年申報表日期以來(如屬首份周年申報表，則自公司成立為法團以來)有任何轉讓，有關詳情亦請一併申報；股份受讓人的姓名／名稱須在「備註」一欄註明。

* If there have been any transfers of the company's shares since the date of the last annual return (or since incorporation if this is the first annual return), please also provide details of the transfers, the name of the transferee should be stated in the 'Remarks' column.

表格 Form **NAR1**

續頁 B Continuation Sheet B

本申報表的結算日期
Date to which this Return is Made Up

12	06	2016
日 DD	月 MM	年 YYYY

公司編號 Company Number: 801777

董事詳情（自然人）（第 12A 項） Details of Director (Natural Person) (Section 12A)

請在適用的空格內加上 ✓ 號 Please tick the relevant box(es)

身分 Capacity: [✓] 董事 Director [ ] 候補董事 Alternate Director

代替 Alternate to: (Nil)

中文姓名 Name in Chinese		李勝達
英文姓名 Name in English	姓氏 Surname	LI
	名字 Other Names	SHENGDA
前用姓名 Previous Names	中文 Chinese	(Nil)
	英文 English	(Nil)
別名 Alias	中文 Chinese	(Nil)
	英文 English	(Nil)
住址 Residential Address		No. 36-109, Jiang Yan Street, Zhen XinDistrict, Dandong, Liaoning Province, China.
	國家／地區 Country／Region	CHINA
電郵地址 Email Address		(Nil)

身分證明 Identification

(a) 香港身分證號碼 Hong Kong Identity Card Number: (Nil)

CHINESE I.D. 210603194409030037

(b) 護照 Passport

簽發國家 Issuing Country	(Nil)
號碼 Number	(Nil)

YUEDA INTERNATIONAL TRADING CO., LIMITED

Company Registration No.: 0801777

Yueda International Trading Co., Limited was incorporated on 12 June 2002 (Wednesday) and as of 1 October 2015 (Thursday) is a Live Private Company Limited By Shares. This Private Company Limited By Shares have been operating for 5304 days.

CR No.	0801777
Company Name	YUEDA INTERNATIONAL TRADING CO., LIMITED
Company Name (Chinese)	悅達國際貿易有限公司
Company Type	Private Company Limited By Shares
Date of Incorporation	12 June 2002 (Wednesday)
Active Status	Live
Remarks	-
Winding Up Mode	-
Date of Dissolution	-
Register of Charges	Unavailable
Important Note	-
Name History	Effective From 12 June 2002, Wednesday YUEDA INTERNATIONAL TRADING CO., LIMITED 悅達國際貿易有限公司

Source: https://www.hkgbusiness.com/en/company/Yueda-International-Trading-Co-Lim

Annex 27 : Malaysia based MKP-affiliated companies and roles of Han Hun Il / Edward Han

Malaysia-based MKP affiliated companies

Company name in corporate registry (all documents in Annex)	Role(s) of Han Hun Il	Dates	Nature of business
MKP Builders	46% shareholder	1996-	Buildings development, building construction and contractors
MKP Holdings	Director and 49% shareholder	23 June 1998	Investment business
MKP Corporation	Director and 45% shareholder	26 June 2003-	
MKP Capital	50% shareholder	20 June 2006-	
MKP Capital LLC	Director and major shareholder	2 March 2012	According to MKP Capital: "To carry on the business man agreement, consultants and administrators of companies and other corporate bodies To carry on the business as holding company and to be capitalists, investors and any other business of all descriptions To carry on any trade or business whatsoever which can, in the opinion of the company be advantageously carried on by the company"
MKP Sosit	Director and 40% shareholder	October 2006	From website: IT Business Network Security; Web Design; Network Infrastructure Planning; Radio Embedded Device Encryption; Mobile Embedded Encryption; Vehicle Tracking and Management System

MKP Dynamic Engineering (formerly Nekad Agro-Fishery)	Shareholder of a single share	31 May 2006	
MKP-WUI Loong System Scaffolds	Director (MKP Holdings is 51% shareholder)	17 April 2002 -	
Nekad Ziplem	Director and 35% shareholder	5 July 2003-	
Umhasu Restaurant (formerly Pyongyang Restaurant until 1 April 2011)	Director and 50% shareholder	31 August 2007	Traders of motor accessories, spare parts and others
Mansudae Sdn.Bhd. (dissolved when MK builders was established in 1996)	Han Hun Il worked for Korea Koryo Corporation, which was 49% shareholder of Mansudae Sdn.Bhd.	6 September 1991	Promotion and sale of fine arts
MKP Dynamic		7 July 2007	
MKP Supplies		30 November 2016	Export and Import of Construction Materials Export and Import of other General Purpose Machinery N.E.C. Wholesale of Tobacco, Cigar, Cigarettes
Element Flash		6 July 2004	

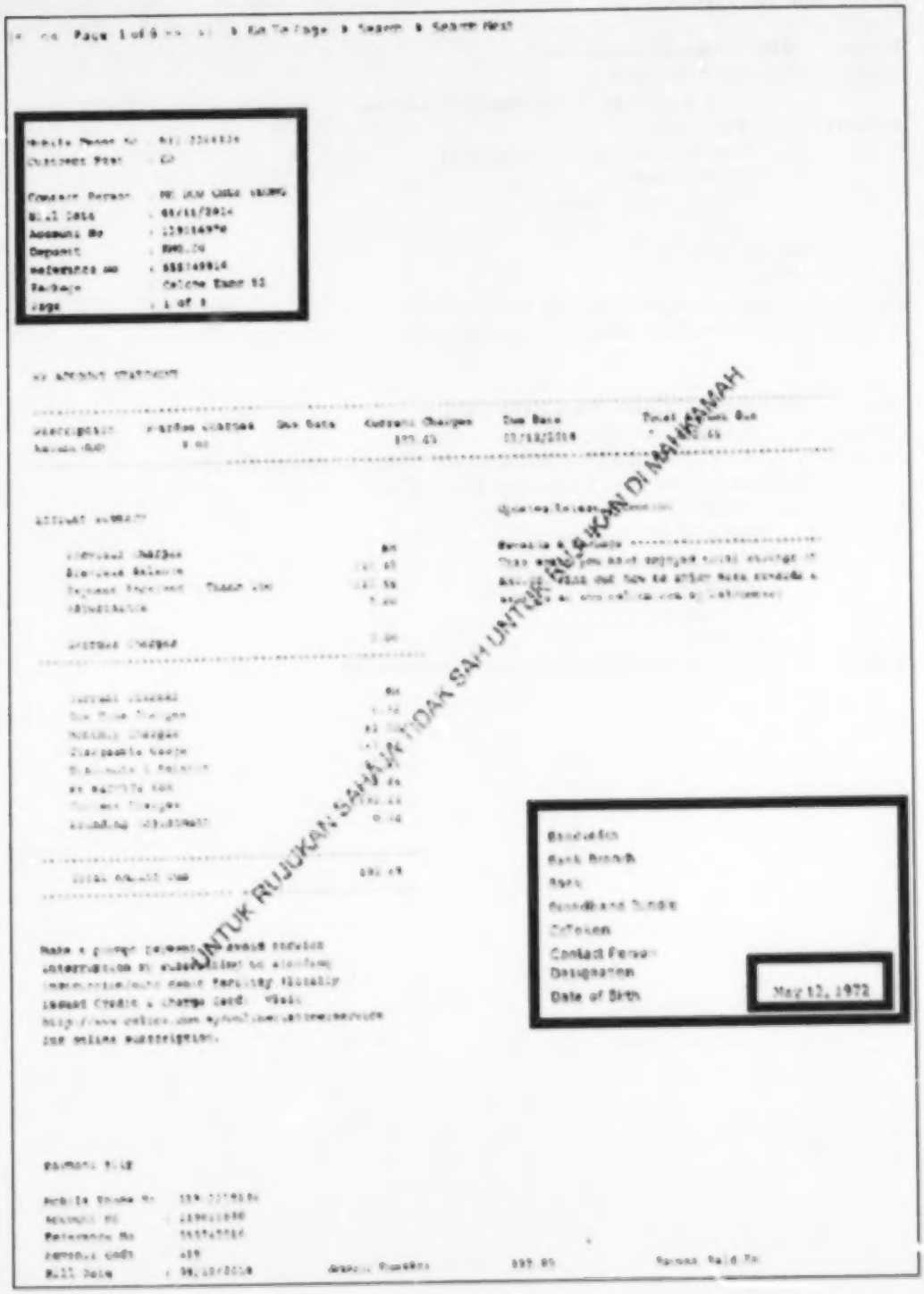
Source: Malaysia Corporate Registry documents and official websites of the companies

Annex 28 : Contact information for MKP Group of Companies and International Consortium Bank (ICB)

Name : **MKP Group of Companies**
CEO: Han Hun Il / Edward Han
Yong Kok Yeap, Group Managing Director
Address: Lot 5 Jalan Satu
Kawasan Perusahaan Cheras Jaya
43200 Balakong
Selangor Darul Ehsan
Malaysia
Tel: 603-9076-9678
Fax: 603-9075- 9678
Email: enquiries@mkpholdings.com.my
Website: http://www.mkpholdings.com.my/index.php

Name: **International Consortium Bank (ICB)**
Korean: 하이펀드국제은행련합
AKA/FKA: Sungri Hi-Fund International Bank, Sungri Economic Group
Hi-Fund International Consortium Bank (ICB)
SWIFT Code: FHIBKPPY
Address: Sungri Exhibition Hall
Sohong-Dong
Morabong District
Pyongyang
DPRK
Website: http://www.mkpholdings.com.my/services.ph

Annex 29 : Invoice for telephone line Boo Chee Seong of MKP Capital established and paid for on behalf of Pak In Su



Invoice for telephone line, continued

Name and Address	▸ Edit	Detail	▸ Edit
Name:	MR BOO CHEE SEONG	Branch Code	CR-Taman Segar
Name of Organisation:	ED		SC-2111100
		Active Date:	Mar 1, 2011
Address:	A-1-6 VISTA WIRA 1	Inactive Date:	
	JALAN 4/27A SECTION 2	Dealer Code	C40068SEL
	WANGSA MAJU , WILAYAH	Account Manager Code	C40068SEL00
	PERSEKUTUAN 53300	Parent Account Id:	null
	Malaysia	Child Count:	2
Dir Listing	Dir Listing? - No	Account Category:	10-Consumer
Contact No(O)	0133996578	Account Segment:	Acct Segment
Contact No(H)		Account Type:	Billed
Language:	English	Rate Class:	Standard Rate Class
Address:	A-1-6 VISTA WIRA 1	Disconnect Reason:	
	JALAN 4/27A SECTION 2		
	WANGSA MAJU , WILAYAH		
	PERSEKUTUAN 53300		
	Malaysia		
Dir Listing	Dir Listing? - No	Payment Method:	Check
Contact and Service Centers	▸ Edit	Billing And Rating	▸ Edit
Fax Number:			
Email		Bill Dispatch Method:	Print Bill on Paper-ENG
Auth Personnel/Reference Name:	PAK IN SU	Bill Format Option:	Itemised Bill
Contact Person/Ref Relationship:	FRIEND	Bill Hold Code:	
Contact Phone/Ref Number(O):	0133996578	Bill Period:	GSM Cycle 08th
Reference Number(H):		Bill Insert Group:	Personal
Reference Mobile No:		SE Message Group:	Personal
		Suppress Billing:	No

UNTUK RUJUKAN SAHAJA TIDAK SAH UNTUK TUJUAN RASMI

Source: The Panel

Annex 30 : Information on Boo Chee Seong (AKA Wagner Boo)

Address: A-1-6 Vista Wira 1
Jalan 4/27 A, Section 2 Wangsa Maju
53300 Kuala Lumpur
Tel: 60 603 907 69678
Mobile: 6017 436 5678
Fax: 60 603 907 58678

Year MKP Capital established: 1993

Reference telephone number used when setting up Pak's number: 013399 6678
Telephone line set up for Pak: +60192258136)

Mkp Capital Berhad

Home | Products ▾ | Company Profile ▾ | Selling Leads | Contact

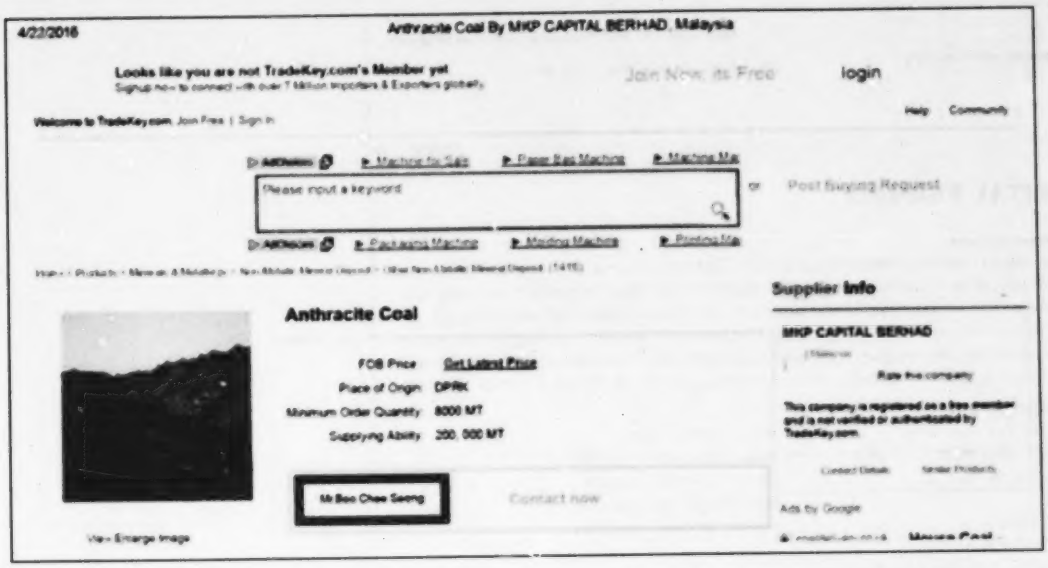
Anthracite Coal

Company Name	:	Mkp Capital Berhad
MemberShip	:	Free Member
Registration Date	:	2010. 09.23
Country/Region	:	Malaysia
City	:	Kuala Lumpur
Contact	:	Wagner Boo
Related Keywords	:	ANTHRACITE COAL, ZINC INGOT 99.99%

See Larger Picture : Anthracite Coal

Source: http://wagnerboo.en.ec21.com

Boo Chee Seong (AKA Wagner Boo) selling DPRK anthracite



Annex 31 : Description of MKP Capital

8/30/2016 MKP CAPITAL BERHAD ,Iron ,Other Iron ,Malaysia

http://www.companiesa.com/en/add.php

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MKP CAPITAL BERHAD

Company Description

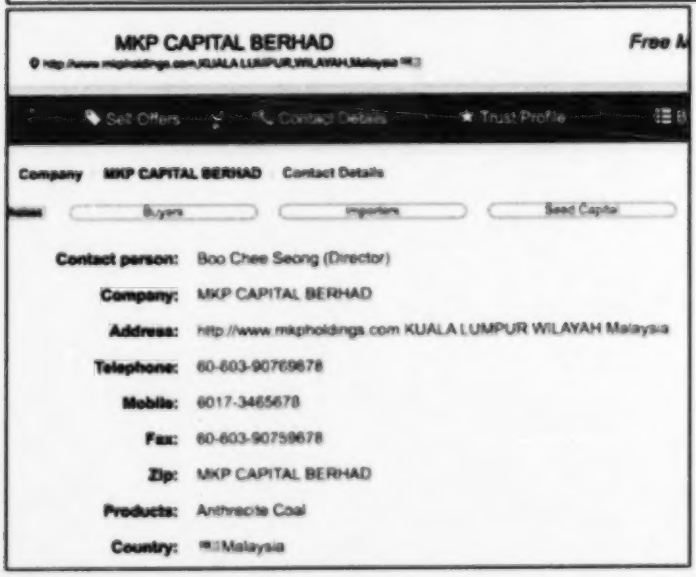
MKPI Holdings specialize in exporting Anthracite coal products. All forms and documents are made out the seller directly whom will oversee the tansaction and MKP CAPITAL BERHAD guarantee the quality of Anthracite coal etc (ie. , an assurance the commodity will arrive at destination port uncontaminated) and specification and can ship any amount to any destination port. The price of urea fluctuates as it is currently a seller$ # 039;s market; however, we can guarantee quality product, at the quantity you wish at a favorable price (FOB or CIF price) . Anthracite Coal 5600 kcal, 5800kcal, 6100kcal, 6300kcal and 6600kcal. FC 77% TO 81% S - BELOW 0.5%

Company Information

Contact Person:Mr. Boo Chee Seong
Telephone:60-603-90769678
Fax:60-603-90759678
Year Established:1993
Trade Capacity:Export Percentage:
Legal Representative / CEO:Boo Chee Seong
Main Products:**Anthracite Coal**
Address:http://www.mkpholdings.com, KUALA LUMPUR, WILAYAH, Malaysia
Main Markets:Worldwide
Website:Visit website
Department:Director
Mobile Phone:6017-3465678
Zip:MKP CAPITAL BERHAD
Business Type:Manufacturing
Number Of Employees:100+

Product

- Anthracite Coal



MKP CAPITAL BERHAD

Free M

Sell Offers | Contact Details | Trust Profile

Company MKP CAPITAL BERHAD Contact Details

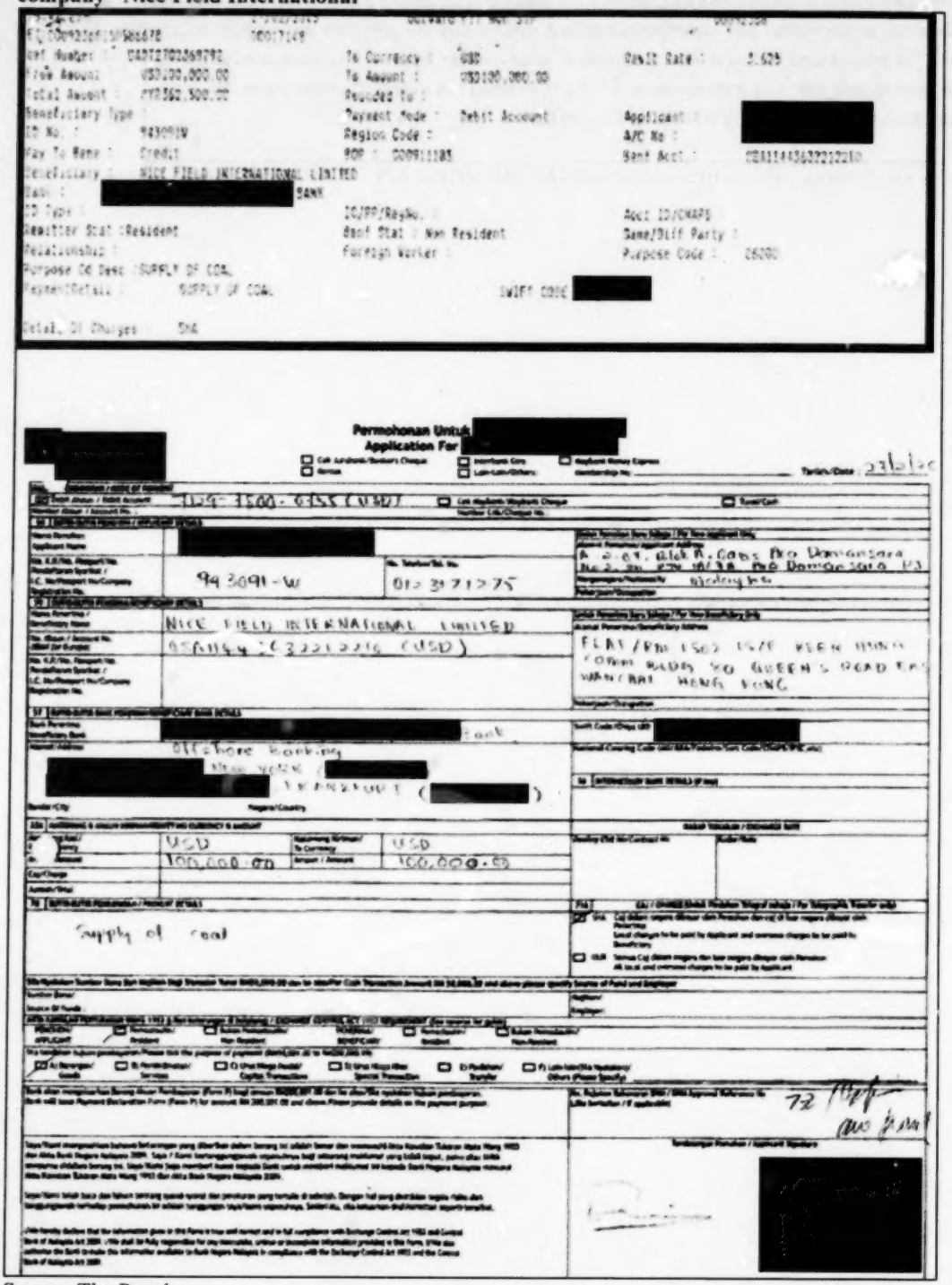
Buyers | Importers | Seed Capital

Contact person: Boo Chee Seong (Director)
Company: MKP CAPITAL BERHAD
Address: http://www.mkpholdings.com KUALA LUMPUR WILAYAH Malaysia
Telephone: 60-603-90769678
Mobile: 6017-3465678
Fax: 60-603-90759678
Zip: MKP CAPITAL BERHAD
Products: Anthracite Coal
Country: Malaysia

MKPI Holdings specialize in exporting Anthracite coal produtcs. All forms and documents are made out the seller directly whom will oversee the tansacition and we guarantee the quality of Anthracite coal etc (ie. , an assurance the commodity will arrive at destination port uncontaminated) and specification and can ship any amount to any destination port. The price of urea fluctuates as it is currently a seller's market; however, we can guarantee quality product, at the quantity you wish at a favorable price (FOB or CIF price) . Anthracite Coal 5600 kcal, 5800kcal, 6100kcal, 6300kcal and 6600kcal. FC 77% TO 81% S - BELOW 0.5%

Source: http://www.tradekey.com/profile_contact/uid/4747656/MKP-CAPITAL-BERHAD.htm

Annex 32 : Four transactions for sale of DPRK Anthracite by Mr. Pak In Su through Hong Kong front company "Nice Field International"

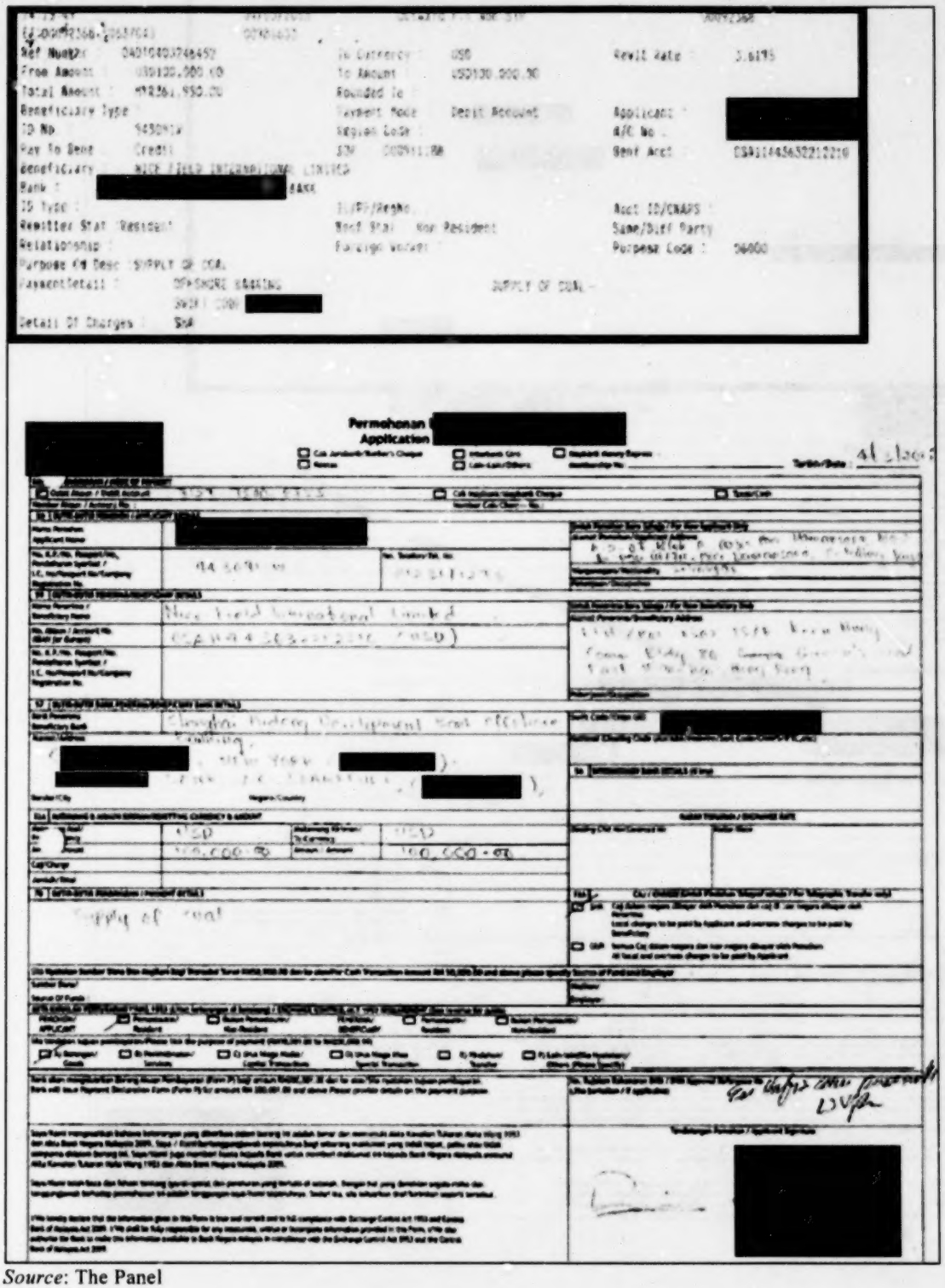


Ref Number : DABTZ702069791 To Currency : USD Debit Rate : 8.029
Fcy Amount : USD100,000.00 To Amount : USD100,000.00
Total Amount : CNY362,500.00 Payment Mode : Debit Account Applicant : [redacted]
Beneficiary Type : Region Code : A/C No :
ID No. : 9430019 BOP : 2009111185 Bank Acct. : CNA114436222122010
Pay To Bank : Credit
Beneficiary : NICE FIELD INTERNATIONAL LIMITED
Bank : [redacted] BANK
ID Type : ID/PP/Regno. : Acct ID/CNAPS :
Remitter Stat :Resident Benf Stat : Non Resident Bene/Ultf Party :
Relationship : Foreign Worker : Purpose Code : 28000
Purpose Of Desc :SUPPLY OF COAL
Payment Details : SUPPLY OF COAL SWIFT CODE [redacted]
Total. Of Charges : SHA

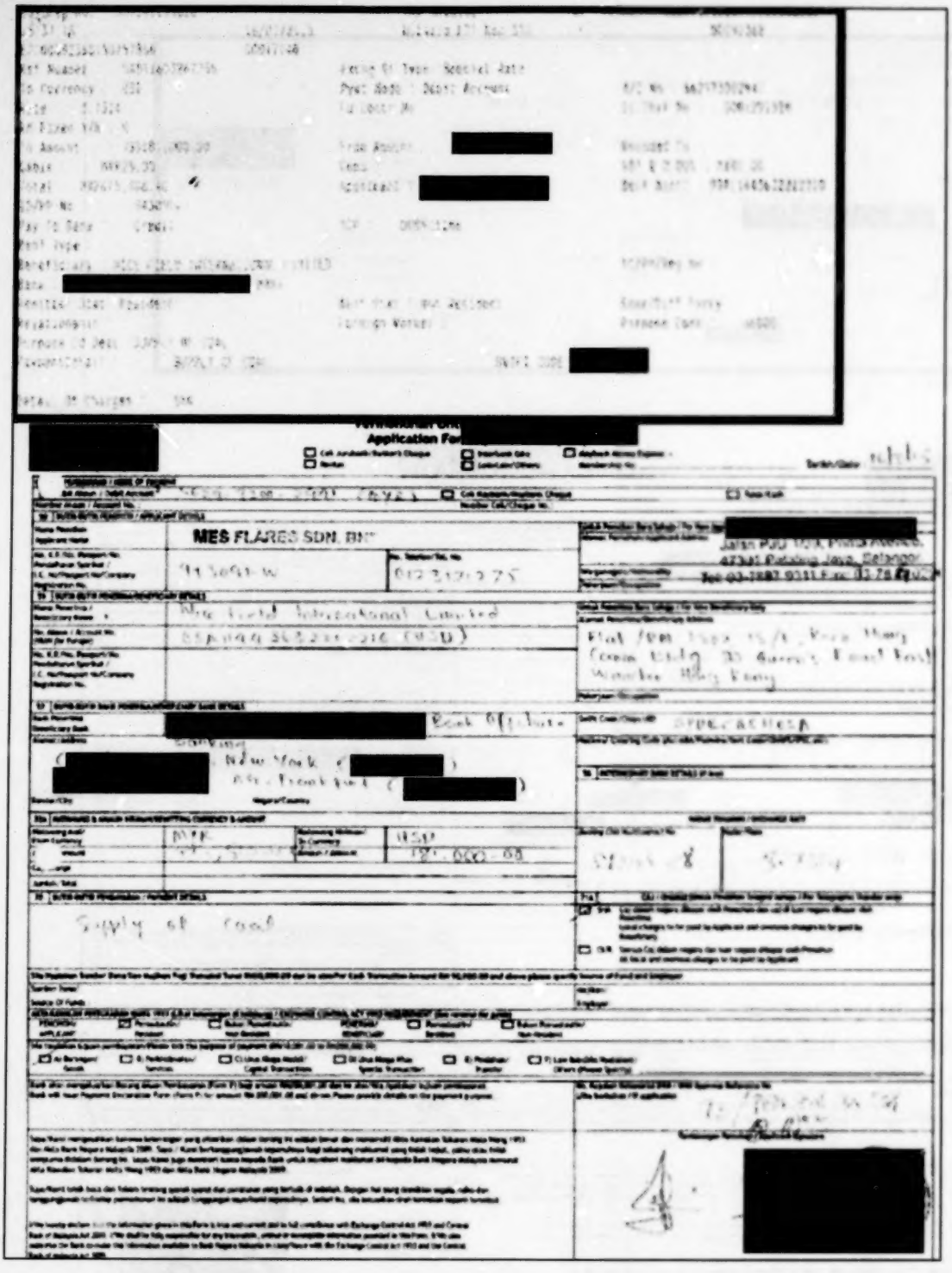
Permohonan Untuk [redacted]
Application For [redacted]

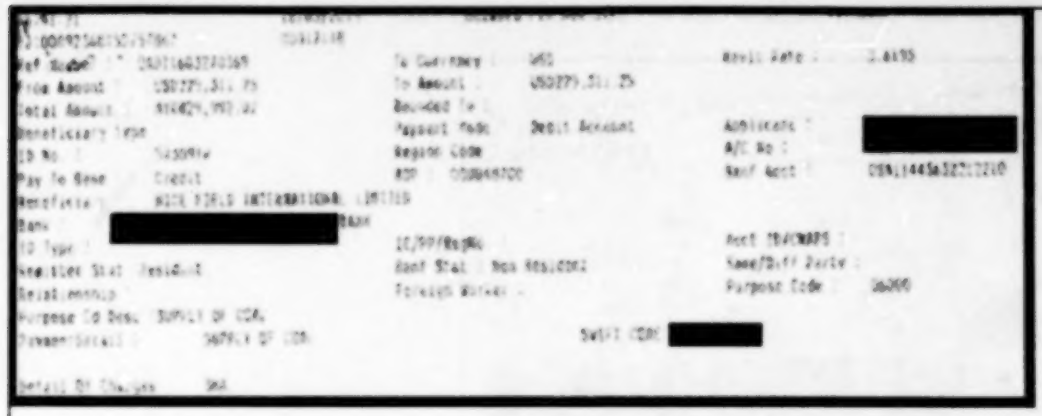
94 3091-W 012 3171275
NICE FIELD INTERNATIONAL LIMITED
A/C NO. : 622212216 (USD)
FLAT/RM 1502 15/F PEEN HUNG COMM BLDG 90 QUEEN'S ROAD E WAN CHAI HONG KONG
OFFshore Banking
USD 100,000.00 USD 100,000.65
Supply of coal
72 MT
as final

Source: The Panel



Source: The Panel


MES FLARES SDN. BHD.
Supply of Coal



Permohonan Untu
Application For
[redacted]
Supply of coal

Annex 33 : Passport and former business card of Pak In Su (Daniel Pak)

조선민주주의인민공화국 Democratic People s Republic of Korea

PS PRK

290221242

박인수

M

PAK IN SU

DPR KOREA

23 MAY 1957

N. HAMGYONG

18 JUN 2010

18 JUN 2015

MINISTRY OF FOREIGN AFFAIRS

PSPRKPAK<<INSU<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<

2902212420PRK5705230M1506185<<<<<<<<<<<<<<8

Note: "PS" stands for "Service Passport" issued to the DPRK government officials other than diplomats working at embassies or trade representative offices.

KSITC

Daniel Pak

CEO

Office in Malaysia of
KS Information Technology Corp.

Address:
Seri Kembangan, Selangor, 43300, Malaysia

Tel: +60 172928136
E-mail: ksitcdb@hotmail.com
Skype: zaozao333
URL: www.ksitc.netne.net

Name:	**Mr. Pak In Su**
A.k.a.:	Park in Su :
DPRK passport number:	290221242
Date of birth:	23 May 1957
Date of issue of passport:	18 June 2010
Date of expiry of passport:	18 June 2015
Telephone numbers:	+60 1729 28136 +6019 225 8136
Email:	ksitcdb@hotmail.com

Annex 34 : HS Codes recommended by World Customs Organization for resolutions 2270 (2016) and 2321 (2016)

HS Codes		Description	Resolutions 2270 and 2321
Coal	**2701**	Coal; briquettes, ovoids and similar solid fuels manufactured from coal	Para 26 of Res. 2321 applies cap on exports and conditions for procurements under the cap. Livelihood exemption remains for Iron and Iron ore
Iron Ore	**2601**	Iron ores and concentrates, including roasted iron pyrites	
Iron	**Chapter 72**	Iron and steel products (7201-7229)	
Iron and Steel products	**7301-7326**	Iron and steel products	
Gold	**261690**	Gold ores and concentrates	Ail imports from DPRK prohibited
	7108	Gold (incl put plated), unwrought, semi-manufactured forms or powder	
	710811	Gold Powder, Unwrought	
	710812	Gold in Other Unwrought Forms	
	710813	Gold in Other Semi-manufactured Forms	
	710820	Monetary Gold	
Titanium	**2614**	Titanium ores and concentrates	
Vanadium	**2615**	Vanadium ores and concentrates	
Rare Earth Minerals	**2612**	Uranium or thorium ores and concentrates **[261210** and **261220]**	
	2617	ores and concentrates, [Nesoi code **261790** - Other Ores and Concentrates]	
	2805	alkali metals etc, rare-earth metals etc, mercury	
	2844	radioactive chemical elements & isotopes etc	
Copper	**7401-7419**	Copper and articles thereof	Commodities added in para 28 of resolution 2321 (2016)
	2603	Copper ores and concentrates	
Zinc	**7901-7907**	Zinc and articles thereof	
	2608	Zinc ores and concentrates	
Nickel	**7501-7508**	Nickel and articles thereof	
	2604	Nickel ores and concentrates	
Silver	**2616100**	Silver ores and concentrates	
	7106, 7107	Silver unwrought or semi manufactured forms, or in powdered forms; base metals clad with silver, not further worked than semi-manufactured	
	7114	articles of goldsmiths or silversmiths' wares or parts thereof, of silver, whether or not plated or clad with other precious metal	
Silver / gold	**2616**	Precious metal ores and concentrates	Combines prohibitions on gold and silver in resolutions 2270 (2016) and 2231 (2016) respectively

Source: S/2017/150, Annex 16-1 with technical corrections to HS code description for silver

Annex 35 : Total dollar value for all prohibited commodities exported from DPRK, October 2016 - May 2017

(Value = Thousands of United States dollars)

Commodity	*Exporting State*	*Timeframe*	*Value (USD)*
Iron and steel (72)*	DPRK	October 2016 – April 201	44,344,912
Iron and steel (73)*	DPRK	October 2016 – May 2017	44,344,912
Iron ore (HS 2601)*	DPRK	December 2016 – May 2017	79,476,905
Coal (HS 2701)	DPRK	December 2016 (over cap)	130,394,260.99
Silver Ores and concentrates (HS 261610)	DPRK	December 2016 – May 2017	298,560,990
Copper (HS 74)	DPRK	December 2016 – May 2017	2,334,240
Copper Ores and concentrates (HS 2603)	DPRK	December 2016 – May 2017	599,456,219.99
Zinc and articles thereof (HS 79)	DPRK	December 2016 – April 2017	5,851,679
Zinc ore (2608)	DPRK	December 2016 – May 2017	1,204,764,118.98
Nickel (75)	DPRK	December 2016 – May 2017	42,000
Gold unwrought, semi-manufactured, powder form (7108)	DPRK	October 2016	215,782
		Total	**$ 271,579,326**

Source: Comtrade, GTA and 1718(2006) Committee

* No member states importing these prohibited commodities replied to the Panel's inquiries on whether they had determined any of the shipments to be exclusively for livelihood purposes and unrelated to generating revenue for the DPRK's nuclear or ballistic missile programmes or other activities prohibited by the resolutions.

Annex 36 : Letter from India of 14 July 2017

संयुक्त राष्ट्र स्थित भारत का स्थायी मिशन
न्यूयॉर्क

PERMANENT MISSION OF INDIA TO THE UNITED NATIONS
NEW YORK

No.PM/NY/FSSK/7/2017 **14 July 2017**

The Permanent Mission of India to the United Nations in New York presents its compliments to the Panel of Experts established pursuant to Security Council Resolution 1874 (2009) and has the honour to refer to the letters S/AC.49/2017/PE/OC.02 of 03 January 2017, S/AC.49/2017/PE/OC.32 of 06 March 2017, S/AC.49/2017/PE/OC.99 of 15 May 2017, S/AC.49/2017/PE/OC.117 of 01 June 2017, S/AC.49/2017/PE/OC.286 of 29 June 2017.

In this context, the Permanent Mission of India further has the honour to enclose the response by the authorities concerned in the Government of India on the information requested by the Panel of Experts on the Democratic People's Republic of Korea.

The Permanent Mission of India to the United Nations in New York avails itself of this opportunity to renew to the Panel of Experts established pursuant to Security Council Resolution 1874 (2009) the assurances of its highest consideration.

Mr. Hugh Griffiths
Coordinator of the Panel of Experts established
pursuant to Security Council Resolution 1874 (2009)
United Nations Headquarters
New York-10017

235 EAST 43RD STREET • NEW YORK, N.Y. 10017
TEL: (212) 490-9660 • FAX: (212) 490-9656 • EMAIL: ind_general@indiaun.net

Annexure

The measures relating to import of iron and iron-ore from DPRK are contained in paragraph 29 of UNSC resolution 2270 (2016). These measures were modified vide paragraph 26 of UNSC resolution 2321 (2016).

2. Implementation under domestic law of the measures contained in the relevant UNSC resolutions typically involves an inter-agency exercise to comprehend the ramifications of the newly announced measures, interpretation of these measures and thereafter a due legal process for incorporating them in domestic law and procedure.

3. During the period 2 March 2016 (date of adoption of resolution 2270) to 30 November 2016 (date of adoption of resolution 2321), there was no clarity regarding the scope of the measures related to iron and iron-ore since there was no elaboration/explanation of the word 'iron' and 'iron-ore'. Till date, there is no implementation assistance notice issued by the UN that stipulates a practice for identifying an item as 'iron' and 'iron-ore'.

4. Pending clarity on this issue, national implementation of the measures contained in UNSC resolutions 2270 (2016) and 2321 (2016) relating to iron and iron-ore was nevertheless carried out by Government of India through a notification issued by the Directorate General of Foreign Trade (DGFT) on 21 March 2017. However, for the reasons explained in paras 2 and 3 above, there was no restriction on import of iron and iron-ore into India from DPRK during the period 2 March 2016 (date of adoption of resolution 2270) till 20 March 2017.

5. The methodology adopted by the UNSC 1874 Panel of Experts of identifying items that fall under the description 'iron' and 'iron-ore' appears to be subjective and not definitive. e.g. the Panel interprets items covered under Chapter 73 of the HS Code as 'iron' whereas the description of items under this Chapter of the Code is 'articles of iron and steel' which cannot be equated with 'iron'.

6. India would, therefore, request a clarity on the scope of the measures relating to iron and iron ore contained in paragraph 29 of resolution 2270 as amended by paragraph 26 of resolution 2321. Similarly clarity may also be provided regarding the scope of the measures in these two resolutions relating to items prohibited under the sectoral bans and the luxury goods ban. This would enable effective implementation of the resolutions by member states.

7. In light of the above, India is unable to comment at this point on the details sought in UN letters Reference S/AC.49/2017/PE/OC.117 dated 1 June 2017, S/AC.49/2017/PE/OC.99 dated 15 May 2017, S/AC.49/2017/PE/OC.32 dated 06 March 2017and S/AC.49/2017/PE/OC.02 dated 3 January 2017. However, India stands ready to share its national experience on implementation of the measures related to iron and iron ore, sectoral bans and luxury goods ban covered in resolutions 2270 and 2321, which have entered into force vide the aforesaid notification issued by the DGFT on 21 March 2017.

8. India would request that this submission be included in the next midterm review of the UNSC 1874 Panel of Experts.

Annex 37 Calculation of coal imports value and volume caps for 2017 as per resolution 2321 (2016)

	Value reported for each month (USD)	Volume for each month (metric tons)
January 2017	126,390,037.84	1,441,985.60
February 2017	104,590,640.00	1,232,000.00
March 2017	575,219.40	6,342
Total	231,555,897.2	2,680,327.60

	Value (USD)	Volume (metric tons)
Percentage of 2017 cap	231,555,896 / 400,870,018 = 57.76% of 2017 value cap	2,680,327.60 / 7,500,000 = 35.74% of 2017 volume cap
Amount that exceeded December 2016 cap	183,890,154.99 - 53,495,894 = 130,394,260.99 (value amount that exceeded the Dec 2016 cap by **344%**)	2,001,634.43 MT - 1,000,866 MT = 1,000,768.43 MT (volume amount that exceeded the Dec 2016 cap by 200%)
Exceeding amount added to current 2017 levels (Jan/Feb/Mar)	130,394,260.99 + 231,555,897.246 = 361,950,158.23	1,000,768.43 MT + 2680327.60 MT = 3,681,096.03 MT
2017 percentage of overall caps reached in Resolution 2321 when exceeding 2016 amounts are added	361,950,158.23 are **90.29%** of the 2017 cap of 400,870,018	3,681,096.03 MT are 49.08 % of the 2017 cap of 7,500,000 MT

Source: Committee website